

SECOND AMENDED AND RESTATED FRANCHISE AGREEMENT

BETWEEN

CITY OF BREA

AND

REPUBLIC WASTE SERVICES OF SOUTHERN CALIFORNIA, LLC

DBA BREA DISPOSAL

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THIS SECOND AMENDED AND RESTATED FRANCHISE AGREEMENT ("Agreement") is dated March 18, 2025 for reference purposes and is executed by the CITY OF BREA ("City"), a California municipal corporation, and Republic Waste Services of Southern California, LLC ("Contractor"), a Delaware limited liability company (formerly known as Taormina Industries, LLC ("Taormina LLC")), which is a wholly owned subsidiary of Republic Services, Inc. and does business as Brea Disposal.

RECITALS

- A. City and Jaycox Disposal Company ("Jaycox") executed an April 1, 1986 Agreement for the Collection and Disposal of Refuse, Rubbish, Garbage and Waste Materials ("1986 Franchise Agreement"). The 1986 Franchise Agreement granted Jaycox an exclusive franchise for the picking up of trash, garbage, and construction debris.
- B. Taormina Industries Inc. ("Taormina Inc.") purchased Jaycox in 1988 and was assigned the 1986 Franchise Agreement.
- C. City and Taormina Inc. executed a December 19, 1989 Agreement for the Collection and Disposal of Refuse, Rubbish, Garbage and Waste Materials ("1989 Franchise Agreement"). The 1989 Franchise Agreement superseded the 1986 Franchise Agreement and granted Taormina Inc. an exclusive franchise for the collection, transportation, and disposal of refuse, recyclables, and construction debris.
- D. City and Taormina Inc. executed a July 16, 1996 Agreement Between the City of Brea and Taormina Industries Incorporated for the Collection, Transportation, Recycling, Composting and Disposal of Solid Waste, Recyclable and Compostable Materials ("1996 Franchise Agreement"). The 1996 Franchise Agreement superseded the 1989 Franchise Agreement and granted Taormina Inc. an exclusive franchise for the collection, transportation, and disposal of municipal solid waste, recyclables, green waste, and construction debris.
- E. City and Taormina Inc. executed a March 4, 1997 Amendment to Agreement ("1997 Amendment"). The 1997 Amendment amended the 1996 Franchise Agreement and memorialized City's approval of a sale and transfer of Taormina Inc. to Republic Industries Inc.
- F. Taormina Inc. and Taormina LLC executed a June 22, 1998 Agreement and Plan of Merger ("Merger"). The Merger provided for Taormina Inc.'s merger with and into Taormina LLC.
- G. City and Taormina LLC executed a September 3, 2002 Restated and Amended Agreement Between the City of Brea and Taormina Industries, LLC for the Collection, Transportation, Recycling, Composting and Disposal of Solid Waste, Recyclable and Compostable Materials ("2002 Franchise Agreement"). The 2002 Franchise Agreement superseded the 1996 Franchise Agreement and granted Taormina LLC an exclusive franchise for the collection, transportation, and disposal of municipal solid waste, recyclables, green waste, and construction debris.
- H. On July 3, 2008, Taormina LLC filed paperwork with the California Secretary of State to change its corporate name to Republic Waste Services of Southern California LLC.
- I. On December 10, 2018, City issued a Non-Extension Notice (a copy of which is set forth in Exhibit P) ending the automatic annual extension of the 2002 Franchise Agreement and setting a December 31, 2038 expiration date for such contract.
- J. City and Contractor executed a November 19, 2019 Commercial Organics Recycling Program Agreement ("2019 CORP Agreement"). The 2019 CORP Agreement supplemented the 2002

Franchise Agreement and provided for Contractor's implementation of a commercial organics recycling program in compliance with AB 1826 (2014).

- K. City and Contractor executed a January 21, 2020 Amendment No. 1 to Restated and Amended Agreement for the Collection, Transportation, Recycling, Composting and Disposal of Solid Waste, Recyclable and Compostable Materials ("2020 Amendment"). The 2020 Amendment amended the 2002 Franchise Agreement to: (i) increase the residential rate schedule based on green waste disposal cost at an Orange County landfill; (ii) grant City discretion to change the facility used for green waste disposal; and, (iii) provide for a further adjustment of the residential rate schedule in the event City exercises such discretion.
- L. The parties desire to amend and restate the 2002 Franchise Agreement (as amended by the 2020 Amendment), and to incorporate provisions of the 2019 CORP, in order to memorialize their respective rights and obligations in a single document that facilitates implementation of new programs mandated by state law.

NOW, THEREFORE, based upon the foregoing Recitals and for good and valuable consideration, the receipt and sufficiency of which is acknowledged, the parties agree as follows:

ARTICLE 1. INTRODUCTORY MATTERS

1.1 Definitions

Unless otherwise indicated or apparent from the context, the definitions set forth in the attached Exhibit A shall apply regardless of whether the defined term is capitalized. The meaning of terms not defined in Exhibit A shall be as commonly understood in the solid waste collection services industry.

1.2 Exhibits

The attached Exhibits A through O are incorporated into this Agreement by reference. In the event of any material discrepancy between the express provisions of this Agreement and the provisions of an Exhibit, the provisions of this Agreement shall prevail.

1.3 Cross-References

Cross-references to "Article __", "Section __", "Paragraph __" or "Page __" refer to an Article, Section, Paragraph, or Page of this Agreement unless otherwise indicated or apparent from the context.

1.4 External References

References to a statutory code or legislative bill refer to California law unless otherwise indicated or apparent from the context. References to a statute, regulation, or ordinance shall be deemed to refer to the then-current version of the statute, regulation, or ordinance.

1.5 Rules of Construction

As the context may require, the singular tense includes the plural tense and vice versa; "shall" is mandatory and "may" is permissive; and "include," "includes," and "including" are illustrative and non-exhaustive.

1.6 City Manager Authority

The administration of this Agreement by City shall be under the supervision and direction of the City Manager. Unless otherwise stated, the City Manager is authorized to issue notices and grant approvals that may be allowed or required from City under this Agreement. City Council approval is required for amendments of this Agreement and for City's exercise of its extension option.

ARTICLE 2. CONTRACT PERIOD

2.1 Base Term

- A. Subject to satisfaction of the conditions precedent specified in Section 2.3 or waiver by City, this Agreement shall commence on April 1, 2025 ("Effective Date") at 12:00 a.m.
- B. Unless extended or earlier terminated, this Agreement shall expire on December 31, 2038 at 11:59 p.m.
- C. **Commercial Organics Recycling Program Termination.** Notwithstanding any other provision of this Agreement, if there are changes to state law (including material amendment or repeal of SB 1383), or if there are technological advances that modify or eliminate the need for a commercial organics recycling program as currently structured, then City may terminate Contractor's SB 1383 commercial organics recycling program services upon 60 days' notice.
- D. **Evergreen Contract Invalidation Ruling.** Notwithstanding any other provision of this Agreement, if there is a binding federal or state published appellate court ruling upholding a constitutional amendment or statute that retroactively declares automatic contract renewal clauses to be invalid for all public agency contracts then in effect with a remaining term longer than 10 years, then City may terminate this Agreement upon 12 month's written notice. For purposes of this Paragraph, "binding" means a decision that is issued by the U.S. Supreme Court, the Ninth Circuit Court of Appeals, the California Supreme Court, or the California Court of Appeal and from which no further appeals may be taken or where further review is denied.

2.2 Extension Option

City shall have one option to extend the term of this Agreement on a month-to-month basis. To exercise this option, City shall give notice to Contractor on or before September 1, 2038. The extension period shall not exceed 36 months and may be terminated by City on 90 days' prior written notice without cause.

2.3 Conditions Precedent

Effectiveness of this Agreement is contingent upon satisfaction of the following conditions precedent unless waived by City.

- A. **Accuracy of Representations.** All representations and warranties made by Contractor set forth in this Agreement shall be accurate, true, and correct on and as of the Effective Date.
- B. **Furnishing of Insurance, Bond, Letter of Credit, and Corporate Guarantee.** Contractor shall have furnished evidence of the insurance and surety required by Sections 10.2 and 10.3, and shall have provided the Corporate Guarantee required by Exhibit G.

- C. **Absence of Litigation.** There is no actual or threatened litigation involving Contractor or Republic Services, Inc. that would do any of the following:
1. Adversely impact Contractor's performance of this Agreement.
 2. Make this Agreement invalid or unenforceable.
 3. Adversely impact the financial condition of Contractor, Republic Services, Inc., or any other entity guaranteeing Contractor's performance under this Agreement.
- D. **Permits Furnished.** Contractor has provided City with copies of permits necessary for operation of approved facilities owned or operated by Contractor or any subcontractor for use under this Agreement.
- E. **Payment of Fees and Costs.** Contractor has paid City all fees, costs, and other payments due as of the Effective Date.

ARTICLE 3. EXCLUSIVE FRANCHISE

3.1 Grant and Acceptance of Franchise

City grants to Contractor, and Contractor accepts, a wholly exclusive franchise for the scope of services specified in this Agreement. Such franchise is subject to the limitations specified in Section 3.2 and applicable law including Public Resources Code Section 49520.

3.2 Limitations to Franchise

- A. This franchise does not preclude the categories of recyclable materials, organic materials, solid waste, or other materials listed below from being delivered to, and collected and transported by, other persons. City may permit such activity without seeking or obtaining approval of Contractor.
1. **Recyclable and Organic Materials.** Other persons may: (1) accept source separated recyclable materials and source separated organic materials; or, (2) sell, in a commercial transaction, source separated recyclable materials and source separated organic materials provided that there is no net payment made by a generator to such a third person.
 2. **Self-Hauled Materials.** Using its own vehicles, equipment, and employees, a commercial business or residential owner may transport recyclable materials and organic materials for processing if those materials are generated in or on its own premises. Self-hauler must deliver any recyclable materials or organic materials to a permitted facility and have proof of transactions, such as weight tickets, to document any self-haul transaction in compliance with the City Code.
 3. **Construction and Demolition Debris (C&D).** Using its own vehicles, equipment, and employees, a duly licensed construction or demolition company may remove construction and demolition debris that is part of a total construction and demolition service offered by it.
 4. **Donated or Sold Materials.** A generator may sell or donate to youth, civic, or charitable organizations items that are source separated at the premises. Materials will not be deemed donated if they are collected by a non-franchised solid waste enterprise that is not a 501(c)(3) organization.

5. **Edible Food.** A food recovery organization, food recovery service, and other persons may collect edible food from a generator for the purposes of food recovery. Additionally, a generator may self-haul edible food to a food recovery organization, food recovery service, or other person for the purposes of food recovery. This category applies regardless of whether the generator donates, sells, or pays a fee to the other person for collection or receipt of the edible food.
6. **Food Scraps.** A generator may separate food scraps for use by the generator or distribution to other persons for animal feed in accordance with 14 CCR Section 18983.1(b)(7). Food scraps intended for animal feed may be self-hauled by a generator or hauled by another person.
7. **Beverage Containers.** Containers delivered for recycling under the California Beverage Container Recycling and Litter Reduction Act (Public Resources Code Section 14500 et seq.).
8. **Incidental Material Removal Services.** A gardener, landscaper, tree-trimming service, construction firm, residential clean-out service, or similar entity may remove recyclable materials, organic materials, solid waste, and bulky goods from a premises as an incidental part of a service being performed at the premises.
9. **On-site or Community Composting.** A generator may compost organic materials at the site where they are generated (e.g., backyard composting or on-site anaerobic digestion) or at a community composting site.
10. **Animal Waste, Grease, and Used Cooking Oil.** Animal waste and remains from slaughterhouses or butcher shops, grease, or used cooking oil.
11. **Sewage Treatment By-Product.** By-products of sewage treatment, including sludge, sludge ash, grit, and screenings.
12. **Excluded Waste.** Excluded waste regardless of its source.
13. **Materials Generated by Agency Facilities.** Materials generated by state, county, school district, or other public agency facilities provided that the generator has arranged services with other persons or has arranged services with Contractor through a separate agreement. School district services shall continue consistent with the practice under the 2002 Franchise Agreement. However, nothing in this Agreement will prevent the Brea Olinda Unified School District from contracting with Contractor separate from this Agreement.
14. **Manure.** A generator may contract with other persons for removal of manure from the premises. Contractor may provide customers whose premises are zoned in a manner authorizing equestrian or other large animals to be kept on site, and who so request, with containers for the collection of manure at rates that do not exceed the maximum rates set forth in Exhibit D.
15. **Agricultural or Industrial Sources.** The hauling of byproducts from agricultural or industrial sources in accordance with Public Resources Code Section 40059.4.
16. **Junk Removal.** Solid waste removed by cleanup services whose primary business is the cleanup of solid waste on the property of another person and, incidental to such business, where all of the following apply: (i) the cleanup service hauls only the solid waste that it is contracted to clean up and no other solid waste; (ii) performs onsite cleanup services that includes removing junk from commercial premises, garages, and residential premises as part of the overall cleanup service, but does not remove solid waste or construction and

demolition debris from construction and demolition sites; (iii) uses their own vehicle to haul the solid waste that is contracted for clean up; and, (iv) does not use a bin, roll-off box, or other container to accomplish the cleanup, collection, or transportation of the solid waste.

- B. If a law or court decision after the Effective Date limits City's ability to award a franchise for the scope of services and materials covered by this Agreement, then this Agreement shall be limited to those services and materials that lawfully may be included. City shall not be liable for any lost profits claimed by Contractor to result from new laws or court decisions.

3.3 Obligations of Parties

In addition to the specific performance required under this Agreement, the parties shall:

- A. Provide timely notice to one another of a perceived failure to perform any obligations under this Agreement and access to information demonstrating such failure.
- B. Provide timely access to the City Manager and the Contract Administrator in accordance with the terms of this Agreement.
- C. Provide complete and timely responses to requests of the other party.
- D. Provide timely notice of matters that may affect either party's ability to perform under the Agreement.

3.4 Prior Contracts

- A. Contractor waives any right or claim to serve City or any part of Brea under any prior grant of franchise, contract, license, or permit issued or granted by any governmental entity. This Agreement supersedes the 1986 Franchise Agreement, the 1989 Franchise Agreement, the 1996 Franchise Agreement (as amended by the 1997 Amendment), the 2002 Franchise Agreement (as amended by the 2020 Amendment), and the 2019 CORP Agreement. Subject to Paragraph B below, to the extent not already void all such contracts shall be of no further force or effect as of the Effective Date.
- B. This Section does not excuse any prior breach of, or liability arising under, the 2002 Franchise Agreement or the 2019 CORP Agreement; provided, however, that this Section does not allow either party to pursue a breach or liability claim that is barred by the statute of limitations. Nor does this Section relieve Contractor from such contracts' insurance obligations, indemnity obligations, and obligations that are designated as surviving expiration or termination.

3.5 Mutual Determinations

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The parties jointly acknowledge that Public Resources Code Section 40059 authorizes City to determine whether the services covered by this Agreement will be provided by partially exclusive franchise, wholly exclusive franchise, or otherwise. The parties have mutually and independently determined that: (i) the exclusive franchise conferred by this Agreement provides Contractor a specific benefit or privilege that is not provided to other persons; and, (ii) the fees and charges imposed on Contractor by this Agreement do not exceed the reasonable costs to City of conferring such benefit or granting such privilege. The parties also have mutually and independently determined that this Agreement imposes fees and charges on Contractor for the use of City property, negotiated at arm's length.

ARTICLE 4. SCOPE OF AGREEMENT

4.1 Summary Scope of Services

- A. This Agreement applies to recyclable materials, organic materials, and solid waste collected by Contractor within Brea. Contractor shall be responsible for the following:
1. Providing a program for the separate collection of recyclable materials, organic materials, and solid waste generated by and placed for collection by customers.
 2. Transporting collected materials to the appropriate approved facilities or designated disposal facilities.
 3. Processing collected recyclable materials and organic materials at the appropriate approved facilities.
 4. Performing all other services required by this Agreement including commercial customer billing, public education, customer service, contamination monitoring, record keeping, and reporting.
 5. Furnishing all labor, supervision, vehicles, containers, other equipment, materials, supplies, and all other items and services necessary to perform its obligations under this Agreement.
 6. Paying all expenses related to provision of the services including taxes, regulatory fees (including City fees and reimbursements), and utilities.
 7. Performing or providing all services necessary to fulfill its obligations in full accordance with this Agreement at all times using best industry practice for comparable operations.
 8. Complying with applicable laws.
- B. The enumeration and specification of particular aspects of service, labor, or equipment requirements shall not relieve Contractor of the duty to perform all other tasks and activities necessary to fulfill its obligations under this Agreement, regardless of whether such requirements are enumerated elsewhere in the Agreement.

4.2 Flow Control Option

- A. **Solid Waste Disposal Flow Control Option.** City shall have the absolute right to choose the location for the delivery and disposal of all solid waste destined for landfill collected pursuant to this Agreement ("Flow Control Option"). Contractor waives the right to challenge City's ability to do so including any rights under the Commerce Clause of the United States Constitution. As used herein, "County Agreement" means that certain waste disposal agreement, as the same may be amended from time to time, entered into among various County municipalities, including specifically City and the County relating to the use of County landfills for the disposal of solid waste collected in such municipalities, and which is on file in the office of City's City Clerk. Exhibit K contains the County waste disposal agreement, which was current as of the Effective Date. As of the Effective Date, City shall be deemed to have exercised its Flow Control Option so as to require delivery of all solid waste to the County landfill system in a manner consistent with its obligations under the County Agreement (including its obligations related to solid waste that is delivered to a processing/transfer facility prior to being delivered to a landfill for disposal), and Contractor has agreed to handle all solid waste in a manner consistent with City's exercise of its Flow Control Option. At any time City

may notify Contractor that City no longer desires to exercise its Flow Control Option. In such event, Contractor shall have the absolute discretion to utilize any disposal facility, transfer station, recycling facility, material recovery facility, landfill, or other facility of its choosing to dispose of solid waste generated within Brea provided that the use of such facility by Contractor enables it to meet all other requirements of this Agreement and applicable law.

B. Organic Materials.

1. Residential Organic Materials.

- a. Contractor will deliver residential source separated organic materials collected from City's residential customers to the approved organic materials processing facilities included in Exhibit L.
- b. City shall retain the right to choose the location for the delivery of residential source separated organic materials, and that the rate paid by the customer will be reduced or increased accordingly if the transfer, transportation, and processing costs of using such facility are lower or higher than the costs of using the approved organic materials processing facilities included in Exhibit L. The parties acknowledge and agree that the designated facilities in Exhibit L are approved at the time of entering into this Agreement and that Contractor's rates are premised on the use of the designated facilities as set forth in Exhibit L.
- c. The current residential contractor rates to divert residential organic materials are based on the organic materials transfer, transportation, and processing cost of \$136.98 per ton as documented in Exhibit M. The total cost of \$136.98 is based on transfer, transportation, and processing costs per ton originating at the approved transfer facility [CVT Facility] for the approved organic materials processing facilities to process residential organic materials as shown in Exhibit L.
- d. Contractor will notify City in connection with Contractor's regular annual rate adjustment effective July 1 of each year if a lower cost option becomes available to divert the residential organic materials to initiate a cost reduction to City's residential customers. Additionally, at any time, City can notify Contractor of the availability of a lower cost option to divert the residential organic materials to initiate a cost reduction to City's residential customers.

2. Commercial Organics Materials. City shall have the absolute right to choose the location for the delivery and processing of source separated organic materials generated at multi-family or commercial premises collected pursuant to this Agreement to the approved organic processing facilities included in Exhibit L. As of the Effective Date, Contractor shall deliver collected multi-family and commercial organic materials to the approved organics materials processing facilities listed in Exhibit L.

- a. Contractor will deliver multi-family or commercial source separated organic materials collected from City's multi-family or commercial customers to the approved organic materials processing facilities included in Exhibit L.
- b. The current multi-family and commercial contractor rates to divert multi-family and commercial organic materials are based on the organic materials transfer, transportation, and processing cost of \$136.98 per ton as documented in Exhibit M. The total cost of \$136.98 is based on transfer, transportation, and processing costs per ton originating at the approved transfer facility [CVT Facility] for the approved organic

materials processing facilities to process multi-family and commercial organic materials as shown in Exhibit L.

- c. Contractor will notify City in connection with Contractor's regular annual rate adjustment effective July 1 of each year if a lower cost option becomes available to divert the multi-family and commercial organic materials to initiate a cost reduction to City's multi-family and commercial customers. Additionally, at any time, City can notify Contractor of the availability of a lower cost option to divert the multi-family and commercial organic materials to initiate a cost reduction to City's multi-family and commercial customers.
- C. **Recyclable Materials.** Contractor shall have the absolute right to choose the location for the delivery and processing of all source separated recyclable materials collected pursuant to this Agreement to the approved recyclable materials processing facilities included in Exhibit L. As of the Effective Date, Contractor shall deliver collected recyclable materials to the approved recyclable materials processing facilities listed in Exhibit L.
- D. **County Agreement.** Contractor expressly acknowledges its awareness of the County Agreement, which has been adopted and entered into by City. Moreover, Contractor acknowledges that it is aware that all solid waste collected within Brea is to be disposed of in the County landfill system. Contractor further acknowledges that the County is an intended third-party beneficiary of Contractor's obligations relating in any way to the disposal of solid waste pursuant to this Agreement and the County Agreement.

4.3 Use of Approved and Designated Facilities

Contractor, without constraint and as a free-market business decision in accepting this Agreement, agrees to use the approved and designated facilities for the purposes of transferring, processing, and disposal of all recyclable materials, organic materials, and other materials collected in Brea.

4.4 Subcontracting

Contractor shall not engage any subcontractors for collection, transportation, or processing of recyclable materials, organic materials, or solid waste services without the prior written consent of City, which consent shall not be unreasonably withheld. If Contractor plans to engage subcontractors in the provision of services, Contractor shall provide City with 30 days' written notification of its plans and provide an explanation of any potential impacts related to the quality, timeliness, or cost of providing services. Contractor shall require that all subcontractors comply with the insurance provisions in this Agreement, file insurance endorsements with City, name City as an additional insured, and comply with all other material terms of this Agreement.

4.5 Responsibility for Materials

- A. Once recyclable materials, organic materials, or solid waste are placed in Contractor's containers and at the collection location, the responsibility for their proper handling shall transfer from the generator to Contractor, with the exception of excluded waste that is identified and responded to pursuant to Section 6.8.B. Once recyclable materials, organic materials, or solid waste are deposited by Contractor at the appropriate approved facility, such materials shall become the responsibility of the owner or operator of the approved facility except for excluded waste pursuant to Section 6.8.C.

- B. Title to and liability for excluded waste shall at no time pass to Contractor. If excluded waste is discovered before it is collected by Contractor, Contractor may refuse to collect the entire container that contains the excluded waste. In such situations, Contractor shall contact City and City shall promptly undertake appropriate action to ensure that such excluded waste is removed and properly disposed of by the depositor or generator of the excluded waste. In the event excluded waste is present but not discovered until after it has been collected by Contractor, Contractor may, in its sole discretion, remove, transport, and dispose of such excluded waste at a facility authorized to accept such excluded waste in accordance with applicable law and charge the depositor or generator of such excluded waste for all direct and indirect costs incurred due to the removal, remediation, handling, transportation, delivery, and disposal of such excluded waste. City shall provide all reasonable assistance to Contractor to conduct an investigation to determine the identity of the depositor or generator of the excluded waste and to collect the costs incurred by Contractor in connection with such excluded waste.

4.6 City-Directed Changes to Scope

- A. City may require a proposal from Contractor to establish the scope of any modification to existing services (which may include use of approved facilities) or additional services to be provided under this Agreement. In such case, Contractor shall present, within 30 calendar days of City's request unless an alternate schedule is mutually agreed-upon, a written proposal to provide such modified or additional services. City shall review Contractor's proposal for the change in scope of services. The parties may meet and confer to negotiate Contractor's proposed revisions and costs and shall amend this Agreement, as appropriate, to reflect the mutually agreed-upon changes in scope. If the parties are unable to agree on terms and conditions within 180 calendar days from City's receipt of Contractor's proposal for such services, then City may permit other persons to provide such services. Nothing herein shall prevent City from soliciting cost and operating information from other persons in order to inform the evaluation of Contractor's proposal.
- B. Upon CalRecycle's final adoption of regulations to implement SB 54, the parties shall meet and confer in good faith to negotiate revisions to Contractor's services and costs that are necessary or appropriate to ensure compliance with such regulations. The final adoption of SB 54 regulations by CalRecycle, with approval by the Office of Administrative Law ("OAL"), shall be considered a change in law in this Agreement.

ARTICLE 5. SCOPE OF SERVICES

5.1 Recyclable and Organic Materials

- A. **Collection.** Contractor shall provide recyclable materials and organic materials collection services as described in Exhibit B.
- B. **Transfer.** Contractor shall transport recyclable materials and organic materials to the approved transfer facility where the materials will be unloaded from collection vehicles, loaded into large-capacity vehicles, and transported to the approved processing facilities. Contractor shall keep all permits necessary for use of the approved transfer facility in full regulatory compliance. Upon request, Contractor shall provide City with copies of facility permits and/or notices of violations (obtained from its transfer facility subcontractor if necessary). If Contractor is unable to use the approved transfer facility, then Contractor shall be responsible for making other transportation

arrangements. In such event, Contractor shall not be compensated for any additional costs. Contractor shall obtain written approval from City prior to changing the transfer method.

- C. **Processing.** Contractor shall transport and deliver customer-generated source separated recyclable materials to the approved recyclable materials processing facility. Contractor shall transport and deliver customer-generated source separated organic materials to the approved organic materials processing facility. All tipping fees and other costs associated with transportation and processing of such materials at the approved processing facilities and disposing of the residue shall be paid by Contractor.
- D. **Capacity Guarantee.** Contractor guarantees sufficient capacity at the approved processing facilities to process all source separated recyclable materials and organic materials collected by Contractor under this Agreement throughout the term of the Agreement; provided, however, that Contractor makes no guaranty with respect to the capacity of any County facilities to the extent organic materials are handled at County facilities.
- E. **Notification of Emergency Conditions.** Within 48 hours of discovery, Contractor shall notify City whenever (i) any unforeseen operational restrictions have been imposed upon an approved facility or the designated disposal facility by a regulatory agency; or, (ii) any unforeseen equipment or operational failure temporarily prevents the facility from processing the discarded materials collected under this Agreement.
- F. **Approved Facility Unavailable/Use of Alternative Facility.**
1. If Contractor is unable to use an approved processing facility due to an event specified in Section 12.7, Contractor shall use an alternative processing facility provided that Contractor provides written notice to City. Within 48 hours of an emergency or sudden and unforeseen closure, Contractor shall provide a written description of the reasons the use of the approved processing facility is not feasible and the period of time Contractor proposes to use the alternative processing facility. Such a change in processing facility shall be temporarily permitted until such time as City is able to consider and respond to the use of the proposed alternative processing facility. If the use of the proposed alternative processing facility is anticipated to or actually does exceed 30 days in a consecutive 12-month period, the use of such processing facility shall be subject to approval by City. City may approve, conditionally approve, temporarily approve, or disapprove of the use of the proposed alternative processing facility. If City disapproves the use of the proposed alternative processing facility, the parties shall meet and confer to determine an acceptable processing facility.
 2. If the use of an alternative processing facility is for reasons within Contractor's control, then Contractor's compensation shall not be adjusted for any change in transportation and processing costs associated with use of the alternative processing facility. However, if the use of an alternative processing facility is due to an uncontrollable circumstance, including events of force majeure, then Contractor's compensation shall be increased or decreased for changes in transportation and processing costs associated with the use of the alternative processing facility. In the event that the change in the processing facility results in increased costs, City may identify and direct Contractor to an alternative processing facility, at Contractor's expense, that results in less cost than the Contractor-identified alternative.
 3. Except for the emergency conditions described in this Section, Contractor shall not change its selection of the approved processing facilities without City's written approval, which may not be unreasonably withheld. If Contractor elects to use a processing facility that is different than the initial approved processing facilities, it shall request written approval from City 30

calendar days prior to use of the site and obtain such approval no later than 10 calendar days prior to use of the site. Failure to meet the requirements of this Section may result in liquidated damages in accordance with Section 12.6 of this Agreement.

4. Contractor shall observe and comply with all regulations in effect at the approved processing facilities and cooperate with respect to delivery of recyclable materials and organic materials. Contractor shall actively work with the approved processing facility operators to ensure that contamination of the recyclable materials and organic materials remains below the limits established by applicable law including SB 1383.
- G. **Marketing.** Contractor shall be responsible for marketing recyclable materials and organic materials that it collects and delivers for processing at the approved processing facilities. Contractor's marketing strategy shall promote the highest and best use of materials presented in the waste management hierarchy in accordance with AB 939. Where practical, the marketing strategy shall include use of local markets for recyclable materials and organic materials.
- H. **Residue Disposal.** Residue from the processing of recyclable materials and organic materials collected under this Agreement at the approved processing facilities that cannot be marketed shall be disposed of by Contractor or the processing facility subcontractor. Residue delivered for disposal shall not include any excluded waste.
- I. **Compostable Plastics.** Contractor may allow customers to place compostable plastics in the organic materials container for collection. Contractor may collect and transport such materials for processing at the approved organic materials processing facility. Within 10 calendar days of the Effective Date, and annually thereafter, Contractor shall provide a written notification to City confirming that the facility has the capability to process and recover the compostable plastics. Contractor shall not revoke this confirmation at any time. If Contractor does not submit such notification, or if at any time the approved organic materials processing facility can no longer accept and process compostable plastics, then City may assess liquidated damages in accordance with Section 12.6. Contractor shall notify City within seven days of the facility's inability to accept the compostable plastics. The notification shall, at a minimum, include: the date and a description of the reasons that the facility is not able to process and recover the compostable plastics; the period of time the facility will not process and recover these materials; and, Contractor's proposed plan to find an alternative facility or arrangement to process the compostable plastics, subject to City approval. Upon execution of this Agreement, City may prohibit or restrict the use of compostable plastics, with a six month notice to Contractor. This shall not constitute a City-directed change in scope or change in law.

5.2 Solid Waste

- A. Contractor shall offer and provide solid waste collection services as described in Exhibit B.
- B. Contractor acknowledges that City is committed to diverting materials from disposal through the implementation of source reduction, reuse, recycling, composting, and other programs, and that City may implement new programs other than discarded materials collection programs. Examples of new programs City may implement include reuse programs, drop-off programs, community composting, and other diversion programs, with or without the involvement of Contractor, that may impact the overall quantity or composition of solid waste to be collected by Contractor. Contractor shall not be entitled to any compensation or other relief resulting from a decline in solid waste volumes or tonnage or from a change in the composition of solid waste.

- C. Contractor shall transport all solid waste to the designated disposal facility. Contractor shall pay all costs associated with transportation and disposal of solid waste including payment of any gate fees charged at the designated disposal facility. Contractor shall observe and comply with all regulations and posted rules in effect at the designated disposal facility and cooperate with respect to delivery of solid waste.

5.3 Miscellaneous Service Provisions

5.3.1 Bin Pullout Service

- A. Upon customer request and approval by the City Manager, Contractor shall provide bin pullout service in accordance with the approved rate schedule, whereby Contractor will access bins using a small vehicle either to move bins to street or other public right-of-way for collection or retrieve a bin when operationally required in order to safely position the bin for collection. Pullout service charge shall only be assessed for bins and not assessed for carts. In the event of a dispute between Contractor and a customer as to whether bin pullout service will be used, City will make the final determination.
- B. Customers requiring bin pushout service shall only be charged for bin pullout service in accordance with the approved rate schedule.
- C. If Contractor must place a container in the public right-of-way to facilitate collection, Contractor shall not permit the bin to remain in the public right-of-way over four hours. City and Contractor will annually review the customer list that identifies areas of high traffic where bins cannot remain in the public right-of-way for more than two hours, and City will make the final determination for removing or placing customers on the list. If the bin is stored under a chute for collection, the customer shall have a spare or standby bin to be in place while the primary bin is being serviced in the event the chute cannot be closed to prevent discarded materials from spilling.
- D. Any changes to the customer bin pullout service list shall be approved by City prior to Contractor adding or removing this service for any customer.

5.3.2 Container Over-Filling

- A. A container may be considered overfilled when discarded materials project above its rim in a manner that impedes the complete closure of the container's lid and/or when discarded materials are placed outside the container or allowed to accumulate, making access to the container unsafe for collection.
- B. In the event that a multi-family premise or bin commercial customer overfills its bin(s), Contractor shall implement the following procedures in an effort to correct the problem, charge customer in accordance with the approved rate schedule, and, if necessary, increase service levels. For any over-fill occurrences, Contractor shall document occurrence with a photograph. Contractor shall send a notification to the customer, including a photograph of the overage, and a statement advising of service alternatives including right-sizing opportunities, as well as notify the customer of an overflow charge and of a possible increase in service level and the related costs. Notification of over-fill can occur via e-mail, invoice statement, or other City approved method. Contractor shall document the location of the encountered overage, a photograph, as well as the outreach material provided to the customer. Contractor shall provide this information to City upon request.

5.4 Bulky Goods and Reusable Materials

Contractor shall offer bulky goods and reusable materials collection services as described in Exhibit B. On-call bulky goods and reusable materials collection services shall be offered to customers within a reasonable time but not longer than seven calendar days of Contractor's receipt of such a request for service. Contractor shall make reasonable efforts to schedule on-call bulky goods and reusable materials collections on a day that is convenient to the customer. Contractor shall transport all bulky goods or reusable materials to the approved reusable materials processing facility. Contractor shall pay all costs associated with transporting and processing bulky goods and reusable materials. Contractor shall observe and comply with all regulations in effect at the approved reusable materials processing facility and cooperate with respect to delivery of bulky goods and reusable materials.

5.5 City Sponsored Events

- A. Contractor shall provide recyclable materials, organic materials, and solid waste collection services to City-sponsored events at no cost to the event organizer or City. City shall provide Contractor with a minimum of 10 business days' notice prior to any City-sponsored event where Contractor is requested to provide collection services. Special event services include all of the following.
1. **Event Collection Stations.** Contractor shall provide and set-up event collection stations for collection of recyclable materials, organic materials, and solid waste at City-sponsored events. Each event collection station shall include a separate collection area for recyclable materials, organic materials, and solid waste, as appropriate. Contractor shall provide a sufficient number of event collection stations of sufficient capacity to meet the needs of the event as determined by Contractor in cooperation with City and the event organizer. Collection stations shall utilize cardboard boxes for solid waste and recyclable materials and shall use carts for organic materials unless alternative containers are approved by City. Contractor shall provide liners/bags for the containers at the collection stations. Collection stations shall include adequate signs and labeling.
 2. **Roll-Off Boxes.** Upon request, Contractor shall provide up to eight containers annually (or monthly) for the aggregation of material removed from event collection stations during the course of the event. Contractor shall provide containers in sufficient number of appropriate types, subject to the cap, for the needs of the event as determined by Contractor in cooperation with City and the event organizer. Contractor shall service containers, as agreed-upon with City and the event organizer, and deliver collected materials to the appropriate approved facility for processing and disposal.
 3. **Public Education Booth.** Upon request of either City or the event organizer, Contractor shall staff a booth or exhibit at the event for the purpose of educating the public about the services and programs provided by Contractor and the benefits of source reduction, reuse, recycling, and composting.
 4. **Reporting.** Within 14 calendar days of the end of the event, Contractor shall submit a report to City and the event organizer. The report shall include: the number of collection stations deployed at the event; the tonnage of each material type (i.e., recyclable materials, organic materials, and solid waste) collected; the landfilled and diverted tonnage from each stream; the name and address of disposal site utilized; and, a description of the public education provided at the event. Weight receipts shall be made available to City upon request.

- B. Contractor may, at its sole discretion and expense, coordinate with local youth, community, or charitable organizations to provide some or all of the required services. Regardless of Contractor's use of such an organization, Contractor shall be responsible for ensuring that service is provided to the customer in a professional and timely manner.
- C. For special events that are not identified in Exhibit B4 or otherwise hosted or sponsored by City, Contractor shall provide the above-described special event services and may negotiate the charges for such services with the event organizer based on the specific needs of the event, or provide the services at its sole expense, at no cost to City or ratepayers.

5.6 Public Education and Outreach

- A. Contractor shall perform the public education and outreach activities specified in Exhibit C.
- B. **Program Objectives.** City's public education and outreach strategy shall focus on improving generator understanding of the benefits of, and opportunities for, source reduction, reuse, and landfill disposal reduction and supporting compliance with applicable laws including AB 939, AB 341, AB 1826, and SB 1383. Examples of goals of the City-provided public education and outreach program include: (i) informing generators about the services that are provided under this Agreement with specific focus on describing the methods and benefits of source reduction, reuse, recycling, and composting; (ii) instructing generators on the proper method for placing materials in containers for collection and setting containers out for collection, with specific focus on minimizing contamination of recyclable materials and organic materials; (iii) clearly defining excluded waste and educating generators about the hazards of such materials and their opportunities for proper handling; (iv) discouraging generators from buying products if the product and its packaging are not readily reusable, recyclable, or compostable; (v) informing generators subject to food recovery requirements under SB 1383 of their obligation to recover edible food and actions they can take to prevent the creation of food waste; (vi) encouraging the use of compost and recovered organic waste products; and, (vii) encouraging generators to purchase products/packaging made with recycled content materials. The cumulative intended effect of these efforts is to reduce generation of solid waste and, ultimately, disposal of solid waste by each generator. Contractor shall support and not undermine or interfere with such efforts.
- C. **Contractor Public Education Requirements.** Contractor shall print, produce, and distribute education materials and conduct outreach detailed in Exhibit C at no additional cost to ratepayers or City. Contractor shall obtain approval from City on all Contractor-provided promotional and service-related materials used within Brea before publication, distribution, or release. City shall have final approval of any materials or content distributed or made available to customers. Upon City's request, Contractor shall include City identification and contact information on such materials.
- D. **Non-English Language Requirements.** Contractor shall make all public education and outreach materials in English, Spanish, Korean, and Traditional Chinese. Contractor may use Quick Response ("QR") codes to assist customers with specific languages and for specific programs. Upon City's request, Contractor shall provide materials in additional languages in response to shifting demographics, changes in applicable law, or any other reason reasonably deemed appropriate by City.

5.7 Billing

5.7.1 General

- A. Contractor shall develop, maintain, and regularly update a customer account information database, which shall include:
 - 1. Customer name.
 - 2. Phone number.
 - 3. Service address.
 - 4. E-mail address.
 - 5. Customer service levels, including:
 - a. Customer service levels exceptions.
 - b. Customer service waivers.
- B. Contractor shall make access to such database available, upon no more than five working days' request from City, in accordance with this Section and Section 7.1. Contractor shall additionally, on an annual basis, reconcile all customer accounts with City's billing information (i.e., via GIS and parcel data). Failure to maintain a database in accordance with this Section shall result in liquidated damages in accordance with Section 12.6.
- C. Contractor shall provide direct-billed customers the option to receive invoices electronically using paperless invoices or by standard mail using standard (paper) invoices. Contractor shall allow customers to pay bills through an electronic check or credit card and shall include the ability for customer billings to be automatically charged on a recurring basis. Contractor shall prepare, mail, and collect bills from customers who decline to use such internet-based billing system. Contractor shall make arrangements to allow such customers to pay bills by check, electronic check, money order, and credit card.
- D. Up to once per month, City may direct Contractor to include a billing note directly onto the customer invoices. Contractor shall provide electronic bill inserts to customers who are billed electronically, and paper bill inserts to customers who receive paper bills. Electronic bill inserts must be readily available for the customer to view upon receipt of the invoice (attachments shall not be provided as links). Upon City request for such attachments, Contractor shall comply with such request during its next billing cycle for the targeted customer group. Contractor shall perform this service with no additional requirement for compensation.
- E. Contractor shall maintain copies of all billings and receipts, each in chronological order for inspection and verification by City.
- F. If Contractor fails to invoice a customer, or otherwise undercharges a customer for services provided for more than six months, Contractor may not subsequently attempt to collect the undercharged amount for more than six months of service. If Contractor overcharges a customer for a period of more than six months, Contractor shall reimburse or credit the customer for six months of the overcharged service. Contractor is not prohibited from reimbursing or crediting a customer for more than six months of overcharges.
- G. If a customer reduces or cancels service during a billing cycle, the customer shall be entitled to a proration of the billing from the date that the service change was requested, in the case of

cancellations or reductions in the customer's bill, or the date the service change was fulfilled, in the case of increases in the customer's bill.

5.7.2 City's Billing Responsibility

- A. Contractor shall accept as full compensation from City for the complete collection and disposal of single-family waste, organic materials, and recyclable materials the amount specified in Exhibit D less the franchise fee specified in Section 8.1 below. City shall bill single-family customers. Such compensation for single-family services shall be based on the number of single-family customers in each residential category reflected in Exhibit D. The number of single-family customers shall be established by City as of the Effective Date and shall be reviewed monthly by the parties. In the event such a review results in an increase or decrease in the number of single-family customers, the subsequent payments to Contractor shall be adjusted accordingly.
- B. City shall pay Contractor for single-family disposal charges on or before the 20th of the month following the close of each month. City shall pay Contractor for single-family collection services on or before the 15th of the month following the close of each month. Separate checks for disposal charges and collection services shall be payable to Brea Disposal and shall be mailed or otherwise delivered as agreed to by City and Contractor to Accounting Manager, 1131 North Blue Gum Street, Anaheim, CA 92806.

5.7.3 Contractor's Billing Responsibility

Contractor shall direct bill customers that are not billed by City pursuant to Section 5.7.2 above (i.e., commercial customers, residential customers with bin service, and residential customers with five or more dwelling units). Contractor's billing shall be on a monthly basis, except as may be otherwise specified, in writing, by City. Contractor may charge the rates specified in Exhibit D for commercial and industrial services, as such rates may be amended from time to time pursuant to the provisions of Article 9 and any AB 939 fees imposed by City.

5.7.4 Vacant Premises

5.7.4.1 City Billed

Contractor shall discontinue service to customers billed by City if instructed to do so by City and will resume service upon instruction from City. Contractor shall not invoice City for periods during which service is not provided to a customer. Contractor shall cooperate with all reasonable requests of City that relate to the collection of accounts receivable. Bad debt from City-billed customers will be assumed by City.

5.7.4.2 Contractor Billed

Contractor shall not provide collection services to a premises, and shall not bill such premises, during any time when Contractor has actual notice such premises is vacant and the customer has provided Contractor written notice of the vacancy. The customer at any such premises shall be responsible for providing reasonable evidence to Contractor, pursuant to such guidelines as Contractor shall develop and City shall approve, demonstrating the premises is vacant. Any customer grievance regarding a claim that a premises was vacant and received no service, and hence should not be billed for a given period, may be appealed by the customer to City. The City Manager's decision, following an opportunity for the parties to present information, shall be final. It is the intent of the parties that Contractor shall not be entitled to charge for services that are not needed or used. Notwithstanding the foregoing, it is the intent of the parties that

premises shall not be deemed vacant due only to a temporary absence of the owner(s) or occupant(s), such as a period during which the owner(s) or occupant(s) are merely on vacation.

5.7.5 Delinquent Accounts

- A. **Customers Billed by City.** Residential customers billed directly by City with delinquent amounts will be handled in accordance with City's internal billing procedures for delinquent accounts.
- B. **Customers Billed by Contractor.**
1. Any service account unpaid by the due date listed on the billing statement shall be deemed delinquent. Except to the extent otherwise provided herein, it shall be the sole responsibility of Contractor to take any authorized measures to collect any delinquent sums owed for commercial customers.
 2. Any delinquent fees or service charges to be imposed in connection with delinquent accounts shall be set by Contractor and be subject to City review.
 3. Contractor may discontinue service to any customer whose account is delinquent in the manner set forth in this Section. Customers who have not remitted required payments within 30 days after the date of billing shall be notified on forms approved by City. Such forms shall contain a statement that services may be discontinued 15 days from the date of notice if payment is not made before that time. If payment is not made by the expiration of such 15-day period, Contractor may discontinue service 48 hours thereafter.
 4. Contractor shall resume collection services on the next regularly scheduled collection day for any customer whose service is discontinued upon receipt of payment of delinquent fees and any related service restart charges, or at such sooner time as directed to do so by City.
 5. A deposit as set forth in the approved rate schedule, as such rates may be amended from time to time, may be required of accounts that have been discontinued for non-payment prior to re-instituting service at such accounts.
 6. Contractor shall make all reasonable efforts to diligently pursue and collect all delinquent sums owed by customers. Following exhaustion of all such reasonable efforts by Contractor, Contractor may request City's assistance in collecting any remaining delinquent sums owed, and City shall endeavor, in good faith, to assist Contractor with its collection efforts. Notwithstanding the foregoing, City shall have no liability to Contractor for failure to collect any such delinquent sums from customers. Contractor shall reimburse City for any and all costs incurred by City in assisting Contractor in the collection of delinquent sums owed.

5.7.6 Collection and Processing of Payments.

- A. **Accounting and Deposit of Funds.** All payments received by Contractor shall be appropriately credited to customer accounts, deposited in a bank account, and accounted for in a businesslike manner utilizing generally accepted accounting principles. To facilitate audits and record keeping, Contractor shall make all withdrawals from its bank accounts by check, ACH debit/credit, or wire, regardless of whether the withdrawal is to provide funds to City, Contractor, or any permissible subcontractor, vendor, or supplier of Contractor.
- B. **Allocation of Funds.** With respect to payments received from each customer, unless a customer specifically directs a different allocation, funds shall be allocated first to outstanding charges for collection services, then to any related delinquency fees or other administrative charges, up to the

amount of any outstanding balance. Any overpayment shall be credited to future bills in the same sequence or returned to customers, as appropriate.

5.8 Customer Service Program

A. Program Requirements.

1. Office Locations.

- a. Customer Service Office. Contractor maintains an office located at 1131 North Blue Gum Street, Anaheim. No change in this location shall occur without City's approval if such change would result in Contractor not having an office within 25 miles of the Brea Civic and Cultural Center. Such office shall be open, at a minimum, from 8:00 a.m. to 5:00 p.m. Monday through Friday, and 8:00 a.m. to 12:00 p.m. Saturday, holidays excepted. At least one responsible and qualified representative of Contractor, capable of communicating in English and Spanish, shall be present and available during office hours, for personal communication with the public. A similarly qualified person(s) capable of communicating in Korean, Traditional Chinese, and other languages by way of translation services shall be available for communication with the public by phone during any times other than office hours when collection is occurring.
- b. Principal Office. In the event that the principal office of Contractor is not maintained in the County of Orange, State of California, City may terminate this Agreement upon the giving of 365 calendar days' notice.

2. Telephone Customer Service Requirements.

- a. Contractor shall maintain either a local or toll-free telephone number that rings at an office within North Orange County at all times during office hours, except during periods of high call volume when calls may be routed to Contractor's available southwest area regional call centers. English and Spanish speaking personnel shall be available during office hours to assist customers with telephone inquiries. All such personnel shall be polite and responsive, and shall be sufficiently knowledgeable, and have the authority to respond and/or advise customers seeking assistance. Contractor's telephone system shall be adequate to handle the volume of calls typically experienced, subject to high call volume events when southwest area regional call centers may be utilized to manage call volume. Contractor shall provide City with a 24-hour emergency number to a live person. Contractor shall provide and maintain a current emergency list of responsible personnel to be contacted in the event of an emergency.
- b. Contractor shall make reasonable attempts to answer all phone calls within five rings. If a call has been placed on hold for three minutes, the caller will either be switched to a message center that shall be responsible to obtain the caller's address and phone number or a customer service representative will obtain the customer's address and a number at which the call can be returned. Contractor shall make at least one attempt within the next 24-hour period to return the call and will leave a voicemail with the customer. If Contractor is unsuccessful in contacting the customer after following this procedure, Contractor shall maintain a record of the unsuccessful attempts.
- c. Contractor shall maintain an emergency telephone number for use outside office hours. Contractor shall have a representative, or an answering service to contact such

representative, available at such emergency telephone number during all hours other than normal office hours.

- d. Contractor shall be able to respond to inquiries in English, Spanish, Korean, Traditional Chinese, and other languages as reasonably directed by City. Customer may subscribe to a telecommunications device for the deaf ("TDD") service for use by persons with hearing or speech difficulties.

3. Complaint Documentation.

- a. Contractor shall retain daily logs of complaints for 24 months.
- b. Contractor shall log all complaints received by telephone, mail, and e-mail, and such log shall include the date and time the complaint was received, name, address, and telephone number of callers, description of complaint, employee recording complaint, and the action taken by Contractor to respond to and remedy complaint. Missed pickups shall be included in this log.
- c. Customer complaints and inquiries shall be date-stamped when received and shall be initially responded to within the same day for a customer complaint received before 12:00 p.m. and the following business day for a complaint received after 12:00 p.m. (excluding Saturday, Sunday, and holidays) of receipt. Contractor shall log its actions taken to respond to and remedy the complaint.
- d. All customer service records and logs kept by Contractor shall be available to City upon request and at no cost to City. City shall, at any time during regular business hours, have access to Contractor's City Liaison for purposes that may include monitoring the quality of customer service or researching customer complaints.

4. Resolution of Customer Complaints.

- a. Disputes between Contractor and customers regarding the services may be resolved by City, except for customer claims for personal injury or damages to property. Contractor shall have the right to present evidence in connection with any customer claim. City's decision shall be final and binding. Contractor shall reimburse City's legal and consultant costs for each City intervention in a dispute between Contractor and a customer if City reasonably deems intervention is required and the customer's dispute is valid.
- b. Should Contractor and customers not be able to establish a mutually acceptable fee to be charged for special hauling services, the matter shall also be determined by City, and City's decision shall be final.
- c. Intervention by City is not a condition precedent to any rights or remedies customers or third parties might otherwise have in any dispute with Contractor. Nothing in this Section is intended to affect the remedies of third parties against Contractor or to customer claims for personal injury or property damage.

- 5. Website and E-mail Access.** Contractor shall develop and maintain a website with Brea specific links that is accessible by the public and solely dedicated to the operations under this Agreement. Contractor's website shall include all public education and outreach materials produced and distributed under this Agreement and provide the public the ability to e-mail Contractor questions, service requests, or complaints. Contractor shall respond within 24

hours to all customers who leave e-mail messages on any given business day. Contractor may respond to customer e-mails via e-mail or phone.

B. Missed Collections.

1. **Missed Collection Complaints.** In the event that a customer has placed its container for collection during the established or designated collection time and reports a missed or incomplete collection directly to the customer service line, Contractor's customer service representative shall not question or contest the customer's claim that the collection was missed or incomplete. In cases where the route driver recorded the container(s) in question as already "collected" or "not out," Contractor shall resolve the complaint as noted in the below subsections.

2. **Schedule for Resolution.**

a. Contractor shall resolve every customer complaint of a missed or incomplete collection by returning to the customer address and completing the collection. For all complaints related to missed collections that are received by 12:00 p.m. on a business day, Contractor shall return to the customer address and collect the missed materials on the same business day on which the missed collection was reported. For those complaints related to missed collections that are received after 12:00 p.m. on a business day, Contractor shall have until the end of the following business day to resolve the complaint. Contractor's failure to comply with this Section may be subject to liquidated damages in accordance with Section 12.6.

b. Contractor shall not be required to return and complete a collection in response to a complaint if Contractor's driver has left a non-collection notice in accordance with Section 5.11.A.4.

3. **Courtesy Collections for Admitted Late Set-Outs.** In the event that a customer: (i) reports that its container(s) were placed for collection after Contractor's collection vehicle had already passed the premises for regularly scheduled collection; (ii) does not claim that Contractor missed the collection; and, (iii) requests that Contractor return and collect the containers, Contractor shall return to the customer's premises and provide a courtesy collection at no charge to the customer. Contractor is not required to provide more than one courtesy collection for admitted late set-outs per customer per calendar year. For residential customers, one courtesy collection represents collection of up to three carts (recyclable materials, organic materials, solid waste) per incident. Contractor shall complete the courtesy collection by the end of the following business day. The provisions of this Section shall only apply if the customer acknowledges during the initial call to the customer service line that the event did not constitute a missed or incomplete collection event by Contractor.

C. **SB 1383 Non-Compliance Complaints.** For complaints received directly by Contractor in which the person alleges that an entity is in violation of SB 1383 requirements, Contractor shall document the information listed in Exhibit F. Contractor shall provide this information in a brief complaint report to City for each SB 1383 non-compliance complaint within seven days of receipt of such complaint and a monthly summary report of SB 1383 non-compliance complaints in accordance with Exhibit F. Upon City request, Contractor shall conduct follow-up inspections and/or outreach to the violating entity and shall document the information in the reports provided pursuant to Exhibit F.

5.9 Access to Customer Service and Billing Systems

Contractor shall provide access to customer contact information (including e-mail addresses) for purposes of City-provided public education and outreach activities. In addition, Contractor shall ensure that the City Manager and any other City staff, as requested by City, have read-only access to all service order, billing, and customer service records in Contractor's internal information systems. Such read-only access is intended to provide City the ability to review notes related to customer service and billing issues.

5.10 Service Exemptions

- A. **General Exemptions.** Upon customer request, and with written approval from City, Contractor shall cease providing and collecting payment for collection services to a premises that is anticipated to be vacant for no less than 30 days based on verified information from the customer. In addition, upon written direction from City, Contractor shall modify or otherwise cease providing collection services to customers requesting other service exemptions, provided that such customers consistently demonstrate the ability to responsibly manage discarded materials generated at the premises in question, in a manner consistent with applicable law.
- B. **Commercial and Multi-Family Customer Waivers.**
1. **General.** City may grant waivers described in this Section 5.10.B to commercial or multi-family generators that impact the scope of Contractor's provision of service for those customers, provided the generator shall continue to subscribe with Contractor for franchised collection services to the extent such services are not waived by City. Waivers issued shall be subject to compliance with SB 1383 requirements, pursuant to 14 CCR Section 18984.11, or other requirements specified by City in compliance with applicable law.
 2. **Types of Generator Waivers.**
 - a. **De Minimis Waivers.** City may waive a commercial or multi-family generator's obligation to comply with some or all of the recyclable materials and organic materials requirements set forth in this Agreement, SB 1383, and the City Code if the generator provides documentation or City has evidence demonstrating one of the following de minimis conditions:
 - i. The generator's total discarded materials collection service is two cubic yards or more per week, and organic waste subject to collection in a recyclable materials container or organic materials container comprises less than 20 gallons per week, per applicable container, of the commercial business' total waste.
 - ii. The generator's total discarded materials collection service is less than two cubic yards per week, and organic waste subject to collection in a recyclable materials container or organic materials container comprises less than 10 gallons per week, per applicable container, of the generator's total waste.
 - b. **Physical Space Waivers.** City may waive a commercial or multi-family generator's obligation to comply with some or all of the recyclable materials and organic materials requirements set forth in this Agreement, SB 1383, and the City Code if the generator provides documentation, or City has evidence from its staff, Contractor, licensed architect, engineer, or similarly qualified source demonstrating that the premises lacks

adequate space for recyclable materials containers and/or organic materials containers.

3. **Contractor Review of Waiver Requests.** Generators may submit requests for de minimis waivers and physical space waivers to City or Contractor. Within seven days of being notified by City of a waiver request, Contractor shall inspect the generator's premises to verify the accuracy of the application. Contractor shall provide documentation of the inspection, including the date of the inspection, customer name and address, a description of the premises, evaluation of each criterion of the relevant waiver type, and photographic evidence. Contractor shall send this information and documentation to City within three days after the inspection date. City ultimately retains the right to approve or deny any application, regardless of the information provided by Contractor. Contractor shall report information regarding waivers reviewed within the month, if any, in accordance with this Section and Exhibit F.
4. **Service Level Updates.** When City grants a waiver to a customer, or the customer's waiver status changes after a re-verification determination, City shall notify Contractor within seven days with information on the customer and any changes to service level or collection service requirements for the customer. Contractor shall have seven days to modify the customer's service level, customer account data, and billing statement, as needed.
5. **Waiver Re-verification.** City shall be responsible for re-verification of waivers. Upon request, Contractor shall support City in this re-verification process by providing requested customer information as per customer database requirements in Section 5.7. In the event that a waiver status changes, Contractor shall update the customer's information and service level in accordance with Section 5.10.B.4.

C. **Contractor Service Exemptions.**

1. **Disaster Waivers.** In the event of a disaster, City may grant Contractor a waiver of some or all discarded materials collection requirements under this Agreement and 14 CCR 18984 et seq. in the disaster-affected areas for the duration of the waiver, provided that such waiver has been approved by CalRecycle. Any resulting changes in collection requirements shall be addressed as a change in scope in accordance with Section 4.6.
2. **Quarantined Waste.** If approved by City, Contractor may dispose of, rather than process, specific types of organic materials and/or recyclable materials that are subject to quarantine and meet the requirements described in 14 CCR Section 18984.13(d) for a period of time specified by City or until City provides notice that the quarantine has been removed and directs Contractor to transport the materials to the approved facilities for such material.

In accordance with Exhibit F, Contractor shall maintain records and submit reports regarding compliance agreements for quarantined organic materials and recyclable materials that are disposed of pursuant to this Section 5.10.C.

5.11 Contamination Monitoring

A. **Annual Route Reviews.**

1. **Methodology.**

- a. Contractor shall conduct route reviews of containers for prohibited container contaminants in a manner that is approved by City and results in all routes being reviewed at least annually.
 - b. Contractor's route review shall include all container types in service (recyclable materials, organic materials, and solid waste containers) for all customer types. The containers shall be selected prior to beginning the route review.
 - c. Contractor shall ensure that a minimum of 1% of accounts or 25 accounts, whichever is larger, on each and every hauler route are inspected annually to ensure the requirements of SB 1383 contamination minimization route reviews are met.
 - d. Contractor shall develop a specific route review methodology to accomplish the above container inspection requirements, and such methodology shall comply with the requirements of 14 CCR Section 18984.5(b). Contractor shall submit its proposed route review methodology for the coming year to City no later than January 15 of each year. Contractor's proposed methodology shall include the schedule for performance of each route's annual review and Contractor's plan for prioritizing the inspection of customers that are more likely to be out of compliance. Contractor may commence with the proposed methodology upon approval by City or CalRecycle.
 - e. If City or CalRecycle notifies Contractor that the methodology is inadequate to meet the requirements of 14 CCR Section 18984.5(b), Contractor shall, at its sole expense, revise the methodology and, after obtaining City or CalRecycle approval, conduct additional route reviews, increased container inspections, or implement other changes using the revised procedure. If Contractor's proposed methodology meets the requirements of 14 CCR Section 18984.5(b), but has been deemed inadequate by City, then Contractor shall, at the expense of City, revise the methodology and implement the necessary changes using the revised procedure.
 - f. City may require modifications to the schedule to permit observation of the route reviews by City. In addition, Contractor shall provide an e-mail notice to City no less than 10 working days prior to each scheduled route review that includes the specific time(s), which shall be within City's normal business hours, and location(s).
2. **Contamination Notification.** Upon identification of prohibited container contaminants in a container, Contractor shall provide the customer with a notice of contamination in the form of either a courtesy pick-up notice or a non-collection notice.
 3. **Courtesy Pick-Up Notice.**
 - a. Upon identification of prohibited container contaminants in a container, Contractor shall provide the customer a courtesy pick-up notice at the customer's door or gate or, subject to City's approval, may deliver the notice by mail, e-mail, or phone. Contractor may also attach courtesy pick-up notices if verified visually while conducting the collection service to the contaminated containers.
 - b. The courtesy pick-up notice shall:
 - i. Inform the customer of the observed presence of prohibited container contaminants.
 - ii. Include the date and time the prohibited container contaminants were observed.

- iii. Include information on the customer's requirement to properly separate materials into the appropriate containers, and the accepted and prohibited materials for collection in each container.
 - iv. Inform the customer of the courtesy pick-up of the contaminated materials on this occasion with information that Contractor may assess contamination fees following one instance of contaminated materials for commercial customers (provided that the foregoing shall not apply to excluded waste identified and responded to pursuant to Section 6.8.B).
 - v. Include photographic evidence via mail or e-mail.
 - c. The format of the courtesy pick-up notice shall be approved by City.
 - d. Contractor shall collect the contaminated recyclable materials and organic materials and either transport the material to the appropriate approved facility for processing or Contractor may collect the contaminated materials with solid waste and transport the contaminated materials to the designated disposal facility. A courtesy collection of contaminated recyclable materials or organic materials where the materials are sent to the designated disposal facility may be made with a solid waste collection vehicle, provided that the contaminants may safely and lawfully be collected as solid waste.
4. **Non-Collection Notices.**
- a. Non-Collection Notice. Upon identification of prohibited container contaminants in a container in excess of 10% or more, by volume, or that contain excluded waste, Contractor shall provide a non-collection notice to the generator.
 - b. The non-collection notice shall, at a minimum:
 - i. Inform the customer of the reason(s) for non-collection.
 - ii. Include the date and time the notice was left or issued.
 - iii. Describe the premium (extra pick-up) charge to customer for Contractor to return and collect the container after the customer removes the prohibited container contaminants to the extent safe to do so.
 - iv. Provide a warning statement that a contamination processing fee may be assessed for commercial and multi-family bin customers.
 - v. Document photographic evidence of the violation(s).
 - c. Communications with Customer. Whenever a container at the premises of a commercial or multi-family customer is not collected, Contractor shall contact the customer on the scheduled collection day or within 24 hours of the scheduled collection day by telephone, e-mail, text message, or other verbal or electronic message to explain why the container was not collected. Whenever a container is not collected because of prohibited container contaminants, a customer service representative shall contact the customer to discuss and encourage the customer to adopt proper discarded materials preparation and separation procedures.
 - d. Contractor Return for Collection. Upon request from a customer, Contractor shall collect containers that received non-collection notices within one working day of the customer's request if the request is made at least two working days prior to the

regularly scheduled collection day. Contractor shall bill the customer for the extra collection service event ("extra pick-up") at the applicable rates only if Contractor notifies the customer of the premium rate for this service at the time the request is made.

5. Assessment of Contamination Processing Fees.

- a. For commercial and multi-family bin customers, if Contractor observes 10% or more, by volume, of prohibited container contaminants on more than one occasion and issues a prior courtesy pick-up notice on that initial instance of contamination, then Contractor may impose a contamination fee for that customer's service level. The intent of commercial contamination fees is to provide a behavioral tool to educate and prevent customers from placing source separated discarded materials into the improper designated container(s), as well as to cover the increased costs to dispose of the contaminated loads. To ensure that the assessment of fees is to be used for the intended purposes and not as a form of revenue generation, contamination fees shall not exceed the following percent of Contractor's gross receipts in any calendar quarter: 1% for the first two years after the Effective Date; 3% for the following three years; and 5% for the remainder of the term of this Agreement. In the event that contamination fees exceed the applicable limit in any calendar quarter, the assessment of contamination fees shall be suspended immediately and indefinitely pending a program assessment by the parties. Upon program suspension or at the request of City, the parties shall meet and confer regarding the application and effectiveness of contamination fees in accomplishing the behavior change. If the program is suspended due to excessive revenue generation, City may require Contractor to either: (i) modify the program parameters; (ii) modify the amount of the contamination fee; or, (iii) return to City any funds generated by the contamination fee that exceed the thresholds noted above of Contractor's gross receipts for a given period of time, with such funds to be used for customer education and outreach and/or related programs to reduce contamination. The foregoing limitations on the contamination fee shall not apply to excluded waste for which the customer (once identified in accordance with this Agreement) shall pay Contractor for all costs and fees associated with the inclusion of such excluded waste.
- b. Failure to comply with the requirements of this Section 5 may be subject to liquated damages in accordance with Section 12.6.
- c. Contractor shall provide a notice of the contamination fee as required by 3.a above prior to assessing the contamination fee.
- d. Contamination Processing Fee Notice. Contamination processing fee notices shall be in a format approved by City. Contractor shall notify City in its monthly report of customers for which contamination processing fees were assessed per this Section. Each contamination processing fee notice shall:
 - i. Describe the specific material(s) of issue.
 - ii. Explain how to correct future set-outs.
 - iii. Indicate that the customer will be charged a contamination processing fee on the next bill.

6. Reporting Requirements.

- a. Container Contaminant Log. The driver or other Contractor representative shall record each event of identification of prohibited container contaminants in a written log or in the on-board computer system including date, time, customer's address, type of container, and photographic evidence. Photographic evidence by the driver or other Contractor representative shall be provided to City if requested by the customer or City for identified occurrences.
- b. Contaminant Fees Assessment Report. Contractor's contract administrator or their designee shall update the customer's account records to note the contaminant event(s) as identified by driver(s) and/or other Contractor personnel upon identification. Contractor shall maintain records and report to City monthly on contamination monitoring activities and actions taken, consistent with the submittal timing and content requirements of Exhibit F. Failure to meet the requirements of this Section may be subject to liquidated damages in accordance with Section 12.6.
- c. Monthly Report. The monthly report shall include: list of customers that were assessed charges; photographic evidence of each contamination event where a fee was assessed if requested by the customer or City for identified occurrences; verification processes to assure accurate fee assessment; date of notification, form(s) of notification given to customer; list of efforts made in educating the customer that was assessed a fee; list of customer complaints in response to fee assessment; Contractor's response and actions taken in response to customer complaints; and, the dollar amount of contamination fees assessed during the reporting period. Failure to meet the requirements of this Section may be subject to liquidated damages in accordance with Section 12.6.

5.12 Route Audit

- A. Upon City's request (but not more than once every four years), Contractor shall conduct an audit of its collection routes in Brea. City may use information from the audit to develop a request for proposals for a new service provider. City may instruct Contractor when to conduct the audit in order for the results to be available for use in preparation of a request for proposals or for other City uses provided that City provides Contractor with reasonable notice of such audit. City may also instruct Contractor to conduct an audit at a time that would produce the most accurate customer service information for a new service provider to use in establishing service with customers. In setting these audit dates, City will reasonably establish deadlines for Contractor to provide routing and account information, and later the report, to City.
- B. The route audit, at minimum, shall consist of an independent physical observation by a City-approved person other than the route driver, or observation by onboard technology, if available, and if approved by City, which approval shall not be unreasonably withheld. The route audit information shall include, as a minimum, the following information for each account:
 1. For cart customers:
 - a. Route number.
 - b. Truck number.
 - c. Number and size of carts by waste stream (solid waste, recyclable materials, and organic materials).
 - d. Cart condition.

2. For bin and roll-off customers:
 - a. Route number.
 - b. Truck number.
 - c. Account name.
 - d. Account number.
 - e. Account service address.
 - f. Account type (residential, commercial, roll-off box).
 - g. Service level per contractor billing system (quantity, size, frequency, waste stream).
 - h. Observed containers (quantity, size, frequency, waste stream).
 - i. Container condition.
 - j. Proper signage.
 - k. Graffiti.
3. Within 30 days after the completion of the route audit, Contractor shall submit to City a report summarizing the results of the audit. This summary shall include:
 - a. Identification of the routes.
 - b. Route map.
 - c. Truck numbers.
 - d. Number of accounts, by route and in total (residential, commercial, and roll-off box).
 - e. Confirmation that all routes are dedicated exclusively to Brea customers.
 - f. Number and type of exceptions observed.
 - g. Name and addresses of customers that do not have source separated recyclable materials collection services and documentation of waivers if any for each account.
 - h. Name and addresses of customers that do not have source separated organic materials collection services and documentation of waivers, if any, for each account.
 - i. Total monthly service charge (residential, commercial, and roll-off box), pre-audit for each customer.
 - j. Total monthly service charge (residential, commercial, and roll-off box), post-audit (subsequent to corrections of identified exceptions) for each customer.
4. The report shall include a description of the procedures followed to complete the route audit. This description shall include the names and titles of those supervising the route audits and the name and titles of those performing the observations. The report shall also include a description of the changes and Contractor's plans to resolve the exceptions. The results of the audit and supporting back-up data shall be available for review by City.

5.13 Preparation of CalRecycle Electronic Annual Report (EAR)

Contractor shall prepare, and submit to City for review and approval, the draft EAR by July 1 of each calendar year. Contractor shall revise the EAR upon receipt of revisions made by City, and City will submit the final draft EAR to CalRecycle.

ARTICLE 6. STANDARD OF PERFORMANCE

6.1 General

Contractor shall at all times comply with applicable law and provide services in a manner that is safe to its employees and the public. Except to the extent that a higher performance standard is specified in this Agreement, Contractor shall perform services in accordance with recyclable materials, organic materials, and solid waste management practices common to the County area.

6.2 Operating Hours and Schedules

- A. **Hours of Collection.** Unless otherwise authorized by City, Contractor's days and hours for Collection operations shall be as follows:
1. **Residential Premises.** Collection from residential premises shall only occur between the hours of 7:00 a.m. and 8:00 p.m., Monday through Saturday, unless otherwise provided for in Chapter 8.28 of the City Code. Collection at residential premises shall not occur on Saturdays; excepting temporary bin services and collection occurring on Saturdays following such holidays as may be approved by City, or as required for special collections or to address a missed collection or failure to set out event. No collection services shall occur on Sundays at residential premises, except in exceptional circumstances for which specific approval is given by City.
 2. **Commercial Premises.** Collection from commercial premises in close proximity to residential premises shall only occur between the hours of 7:00 a.m. and 8:00 p.m., Monday through Saturday, unless otherwise provided for in Chapter 8.28 of the City Code. Collection from commercial premises otherwise may occur between the hours of 5:00 a.m. and 8:00 p.m. Collection services may occur at commercial premises on Sundays; provided, however, no such service shall occur on Sundays in connection with any premises at which City determines such service would be contrary to the public interest. City may require Contractor to comply with time frames applicable to residential premises in connection with collection services for customers at commercial premises whose premises are in close proximity to residential premises.
 3. **City Facilities.** The collection schedule for City facilities shall be the same as commercial premises.
- B. **Changes in Collection Routes.** Contractor shall establish collection routes and a collection schedule that shall be approved by City such that customers at all residential and commercial premises will have not less than one established collection day each week. Contractor shall provide City with route maps identifying at a minimum the type of route (e.g., single-family, multi-family, commercial) and the service day. Contractor may propose changes or additional routes for City approval, which shall not be unreasonably withheld. If a standard collection route change is

approved, Contractor shall notify all affected customers 14 days prior to implementing the new route. Failure to obtain City approval on route changes resulting in service day changes for customers shall be subject to liquidated damages in accordance with Section 12.6 of this Agreement.

C. Commingling of Routes.

1. During its collection process, Contractor shall not commingle solid waste collected within Brea with solid waste collected in other jurisdictions based on Contractor's methodology to account for solid waste collected within Brea, any other jurisdiction, or on behalf of any other entity operating or existing within Brea that is not subject to this Agreement, and Contractor is specifically prohibited from combining collection routes related to services provided pursuant to this Agreement with collection routes for other jurisdictions. Notwithstanding the forgoing, if written consent of CalRecycle and City is obtained, then Contractor may commingle such solid waste collected within Brea in a collection vehicle with solid waste collected from premises in other jurisdictions.
2. City may grant consent for such commingling in its absolute and sole discretion if it determines the methodology used to account for commingled solid waste is reasonably likely to result in City being in compliance with applicable laws. City may withdraw consent if it determines the methodology used to account for commingled solid waste is reasonably likely to result in City not being in compliance with applicable laws. As of the Effective Date, commingling of routes for the collection of recyclable materials and organic materials from customers at commercial premises and multi-family dwellings is approved by City, using a methodology for tracking such types of solid waste generated in Brea and in other jurisdictions that is premised upon container capacity.

- D. Holiday Collection.** Contractor, at its sole discretion, may choose not to provide collection services on a holiday. In such event, Contractor shall provide single-family collection services on the day following the holiday thereby adjusting subsequent work that week with normally scheduled Friday collection services being performed on Saturday; however, customer service days shall be returned to the normal schedule within one week of the holiday. Multi-family, commercial, and City collection services shall be adjusted as agreed between Contractor and the customer but must meet the minimum frequency requirement of one time per week. Contractor shall provide customers notice of holiday-related changes in collection schedules at least two weeks prior to the change.

6.3 Collection Standards

- A. Servicing Containers.** Contractor shall collect and return each container to the approximate location where the occupant placed the container for collection. Contractor shall place the containers upright with lids properly secured. For customers other than single-family residential customers, Contractor may provide scout service, pullout service, accessing container enclosures with a key or access code, or locking bin service as described in Exhibit B3.
- B. Non-Collection, Courtesy Pick-Up Noticing.**
1. Within 30 days of the Effective Date, Contractor shall develop and submit to City for review and approval:
 - a. A template non-collection notice, for use in instances of acceptable non-collection of discarded materials.

- b. A template courtesy pick-up notice, for use in instances of improper set-out of discarded materials, which Contractor, at its sole option, elects to collect as a courtesy to the customer.
 2. In the event that Contractor is prevented from collecting discarded materials that have been placed for collection, Contractor shall leave a non-collection notice at the customer premises clearly explaining Contractor's refusal to collect the discarded materials. Contractor shall not be required to collect discarded materials that are reasonably believed to contain excluded waste. Contractor may propose an alternative to a paper non-collection notice left at customer premises (e.g., customer notification via a phone call or e-mail) subject to City approval. Such an alternative must involve pro-active communication with the customer, initiated by Contractor.
 3. In the event that Contractor encounters circumstances at a premises that allow for safe collection of discarded materials but do not otherwise reflect proper set-out procedures (including spills not caused by Contractor, carts placed too close together, carts placed in front of one another, and carts placed too close to parked cars), Contractor shall collect the material and leave a courtesy pick-up notice clearly explaining how the customer failed to comply with proper set-out procedures.
 4. Contractor may educate the public on proper set-out procedures designed to maximize the efficiency of collection (e.g., carts spaced three feet apart). However, Contractor acknowledges that such procedures are not practical in all circumstances and failure of the customer to follow such procedures does not constitute a reason for non-collection if the discarded materials may be safely and reasonably serviced. Contractor's route drivers shall dismount their collection vehicles and reposition containers as necessary to provide collection service. Contractor may not require a customer to set out the customer's containers in such a manner that would block vehicle access to the customer's driveway. Contractor and customers may mutually agree to uncommon service locations if necessary for collection in specific areas (e.g., setting out all of the carts in a court in a line down the middle of the court as opposed to curbside.)
 5. Contractor may refuse to collect recyclable materials or organic materials containers that are contaminated and shall leave an approved non-collection notice informing customer how to properly separate materials.

C. Litter Abatement.

1. Contractor shall use due care to prevent spills or leaks of material placed for collection, fuel, and other vehicle fluids while providing services. If any materials are spilled or leaked during collection and transportation by Contractor, then Contractor shall clean up all spills or leaks before leaving the site of the spill.
2. Contractor shall not transfer loads from one vehicle to another on any public street, unless it is necessary to do so because of mechanical failure, combustion of material in the truck, or accidental damage to a vehicle.
3. Contractor shall cover all open roll-off boxes at the pick-up location before transporting materials to an approved facility or the designated disposal facility.
4. Contractor shall conduct public outreach and staff training to customers on best management practices for litter abatement at no extra charge. Such best management practices include:

- a. Closing container lids and right-sizing service: Contractor shall tag overfilled containers with courtesy pick-up notices, which will serve as outreach and education to the customer. Photographs of the container shall be taken by drivers, attached to the customer's account, and will be available to outreach and customer service staff in order to demonstrate to the customer where a problem exists.
 - b. Outreach to customers on the importance of bagging lightweight materials such as plastic bags, film plastics, foam peanuts, and other materials that can easily become litter due to their lightweight nature.
 - c. Driver training on litter reduction techniques and litter removal best management practices.
 - d. Affixing to the back of Contractor trucks signage that provides a phone number for residents to report material spills.
- D. **Development and Review of Collection Specifications.** Contractor shall work with City to develop standard specifications for collection container enclosures at commercial and multi-family premises in compliance with the City Code. These specifications shall be developed to ensure that the container enclosures are built to provide adequate space and suitable configuration to allow Contractor to safely and efficiently service the containers. Contractor's operations manager or other appropriately qualified staff shall, upon request by City, provide a review of plans for new multi-family and commercial development or project design drawings. Contractor shall provide comments and recommendations in writing within 10 working days of receipt of the documents for review. In each review report, Contractor shall comment on the acceptability of the proposed enclosure arrangements in terms of the: (i) adequacy of space for recyclable materials, organic materials, and solid waste containers; (ii) accessibility of the containers for collection, including whether additional charges (e.g., pullout or scout service) would apply; and, (iii) ease of use by tenants.
- E. **No Commingling of Materials.** Contractor shall not commingle materials that have been properly source separated with other material types (for example, source separated recyclable materials that have been properly placed for collection shall not be combined with solid waste or source separated organic materials).

6.4 Transfer and Processing Standards

A. Equipment and Supplies.

1. Contractor shall equip and operate the approved processing facilities in a manner to fulfill its obligations under this Agreement. Contractor is solely responsible for the adequacy, safety, and suitability of the approved processing facilities. Contractor shall modify the approved processing facilities as needed to perform this Agreement.
2. Contractor or its approved processing facility subcontractors, as applicable, shall provide all rolling stock, stationary equipment, material storage containers, spare parts, maintenance supplies, transfer, transport, processing equipment, and other consumables as appropriate and necessary to operate the approved processing facilities and provide all services required by this Agreement. Contractor or its approved processing facility subcontractors shall place the equipment in the charge of competent operators and shall repair and maintain all equipment at its own cost and expense.

B. Scales and Weighing.

1. **Accurate Weighing.** Contractor is solely responsible for ensuring accurate weighing of all materials delivered pursuant to this Agreement as they are entering and/or leaving the approved processing facilities.
2. **Facility Scales.** Contractor shall maintain state-certified motor vehicle scales in accordance with applicable law. All scales shall be linked to a centralized computer recording system at the approved processing facilities to record weights for all incoming and outgoing materials. Contractor shall provide back-up generators capable of supplying power to the scales in the event of a power outage. Contractor shall promptly arrange for use of substitute portable scales should its usual scales be unavailable. Pending substitution of portable scales, Contractor shall, as necessary, estimate the tonnages of materials delivered to and transported from the approved processing facilities on the basis of delivery vehicle and transfer trailer volumes, unloaded ("tare") weights, and other available facility weight records. These estimates shall take the place of actual weights while scales are inoperable and shall be identified as estimates in electronic records and reporting. The requirements in this Section shall apply only to scales at facilities owned or operated by Contractor and utilized for disposal or processing pursuant to this Agreement.
3. **Tare Weights.** Within 30 calendar days of the Effective Date, Contractor shall ensure that all vehicles used by Contractor to deliver recyclable materials, organic materials, and solid waste to the approved processing facilities are weighed to determine tare weights. Contractor shall electronically record the tare weight, identify vehicle as Contractor-owned, and provide a distinct vehicle identification number for each vehicle. Contractor shall provide City with a report listing the vehicle tare weight information upon request. Contractor shall promptly weigh additional or replacement vehicles prior to placing them into service. Contractor shall check tare weights annually and within 14 calendar days of a City request. Contractor shall re-tare vehicles immediately after any major maintenance or service event.
4. **Testing.** At any facilities owned or operated by Contractor and utilized for disposal or processing pursuant to this Agreement, Contractor shall test and calibrate all scales in accordance with applicable law but at least one test and recalibration per scale every 12 months or upon City request.
5. **Records.** Contractor shall maintain computerized scale records and reports that provide information including date of receipt, inbound time, inbound and outbound weights of vehicles, and vehicle identification number. Contractor shall also maintain computerized scale records and reports providing historical vehicle tare weights for each vehicle and the date and location for each tare weight recorded.
6. **Upon-Request Reporting.** If vehicles receiving and unloading operations are recorded on video cameras at the approved processing facilities, Contractor shall (to the extent Contractor owns or operates such facilities) make those videos available for City review during the approved processing facility's operating hours, upon request of City, and shall provide the name of the driver of any particular load if available.

6.5 Collection Vehicle Requirements

A. Vehicle Requirements.

1. Contractor shall provide a fleet of collection vehicles sufficient in number and capacity to efficiently perform the work required by this Agreement. Contractor shall have available

sufficient back-up vehicles for each type of collection vehicle used to respond to scheduled and unscheduled maintenance, service requests, complaints, and emergencies.

2. All vehicles used by Contractor shall be of size, weight, nature, and type to be minimally intrusive on the community with respect to noise, emissions, maneuverability, safety, fuel efficiency, and other factors necessary to minimize impacts of Contractor's services. All such vehicles shall have watertight bodies designed to prevent leakage, spillage, or overflow and shall comply with applicable laws. In the event a particular vehicle used by Contractor causes complaints as a result of fluid spills or leakage, Contractor will remove the vehicle immediately (same day) from service and repair the vehicle before returning to service or replace the vehicle in the fleet as necessary. Each piece of equipment used by Contractor shall carry at all times a broom and shovel to be used for the immediate removal of any spilled material. Contractor's vehicles shall utilize recycled motor oil to the extent practicable.
3. Contractor shall annually investigate the ability to procure qualified RNG with its fueling provider and shall implement the use of such fuel to the maximum available extent provided that the premium cost of qualified RNG does not cause Contractor's total fuel expense to increase by more than 10%. Contractor shall make commercially best efforts to seek and utilize RNG that is purchased through a wheeling agreement, provided that the wheeling agreement is for purchase of gas derived from organic waste that has been diverted from a landfill and processed at an in-vessel digestion facility that is permitted to recycle organic waste and meets SB 1383 requirements. Contractor shall maintain records of the amount of RNG purchased and shall report this information in accordance with Exhibit F. Contractor shall allow City to report this RNG usage toward City's fulfillment of its annual recovered organic waste product procurement target.
4. Collection vehicles shall have the capacity to collect and transport loose cardboard overages to ensure that Contractor is capable of complying with Exhibit B.
5. Collection vehicles shall present a clean appearance while providing service. Solid waste collection vehicles shall be washed at least once every seven days.
6. The body of each truck of Contractor shall have a metal cover covering at least 50% of the truck body at all times and the remaining 50% shall be covered by a tight fitting, waterproof tarpaulin, which shall be securely tied in order to cover discarded materials when the vehicle is being used to transport its contents to the place of disposal or otherwise of a design and construction approved by the City Manager.
7. All collection vehicles shall comply at all times with applicable laws including CARB's truck and bus regulation (13 CCR 2025) and advanced clean trucks regulation (13 CCR 1963-1963.5 and 2012-2012.2). The parties acknowledge the requirements of the advanced clean fleets regulation, and Contractor acknowledges that vehicles with a gross vehicle weight rating greater than 8,500 pounds and light-duty package delivery vehicles operated in California may be subject to the advanced clean fleets regulation. Contractor's collection vehicles may therefore be subject to requirements to reduce emissions of air pollutants. All collection vehicles shall meet on-road heavy duty vehicle emissions requirements for model year purchased if newer. Contractor is aware that the advanced clean fleets regulation is a current state law and Contractor's compliance with the advanced clean fleets regulation, as it may be amended, throughout the term shall be eligible to request an extraordinary adjustment pursuant to Section 9.5. The parties agree to meet and confer regarding Contractor's

obligation to transition to zero-emission fleet and to incur costs associated with such transition in order to not burden City disproportionately relative to other jurisdictions or agencies serviced by Contractor or its affiliates. The parties understand and agree that each municipality served by Contractor is a unique service model based on the specific contractual requirements and service requirements of the particular municipality.

- B. **Vehicle Display.** Contractor's name and a vehicle number shall be visibly printed or painted in letters not less than five inches in height on both sides and the rear of each collection vehicle, including vehicles rented from a subcontractor that are being utilized to provide collection services in Brea. Additionally, the words "Serving the City of Brea" shall be displayed on both sides of every residential collection vehicle in letters not less than three inches in height.
- C. **Vehicle Inspection.** Contractor shall inspect each vehicle daily to ensure that all equipment is operating properly. Vehicles that are not operating properly shall be taken out of service until they are repaired and operate properly. Contractor shall repair or arrange for the repair of all its vehicles and equipment for which repairs are needed because of accident, breakdown, or any other cause so as to maintain all equipment in a safe and operable condition. City may inspect vehicles at any reasonable time to determine compliance with sanitation requirements.
- D. **Vehicle Operations.** All collection operations shall be conducted as quietly as possible and shall conform to applicable noise level regulations, including the requirement that the noise level during the stationary compaction process not exceed 60 decibels with the exception of 65 decibels for one minute duration. All decibel readings shall be based on a distance of 10 feet from the vehicle. City may request Contractor to check any piece of equipment for conformance with the noise limits in response to complaints and when City deems necessary.
- E. **Leaks and Spill Mitigation.** Contractor shall clean up any leaks or spills from its vehicles per the NPDES permit. Contractor shall notify City of any leaks or spills reported to Contractor or observed by any employee of Contractor. Contractor shall ensure that it initiates remediation of leaks or spills within two hours of notification or observation. Contractor shall notify City immediately upon remediation of leaks or spills. No pollutant that leaks, spills, or otherwise escapes from any Contractor vehicle shall be allowed to enter a storm drain. All NPDES dry-cleaning measures shall be complied with. All collection vehicles shall be equipped with absorbent for such cleanup efforts. Contractor shall provide photographic evidence to City for each clean up. Payment of liquidated damages for failure to clean up leaks or spills within the required timeframe, or for failure to follow the cleanup procedures, does not excuse Contractor from the clean-up requirements.
- F. **Costs of Operation and Damages.** Contractor shall be responsible for any costs incurred in connection with ensuring all collection vehicles comply with applicable laws including laws relating to noise, fuels, emission standards, or weight limits.

6.6 Container Requirements

- A. **Containers Provided to Customers.** Contractor shall provide containers to new customers within three working days of Contractor's first receipt of a service initiation request. Containers shall be new or fully refurbished in as-new condition and shall comply with the container standards set forth in this Section. All containers shall display Contractor's name, logo, telephone number, website, capacity (yards or gallons), and an identifying inventory or serial number.
- B. **Container Standards.**

1. All carts shall be manufactured by injection or rotational molding methods. The cart handles and handle mounts may be an integrally molded part of the cart body or molded as part of the lid. The cart handles shall provide comfortable gripping area for pulling or pushing the cart or lifting the lid. Pinch points are unacceptable. Carts shall have a useful life of 10 or more years as evidenced by a manufacturer's warranty or other documentation acceptable to City.
2. Carts shall meet the following durability requirements: maintain original shape and appearance; be resistant to kicks and blows; require no routine maintenance and essentially be maintenance free; not warp, crack, rust, discolor, or otherwise deteriorate over time in a manner that shall interfere with intended use; resist degradation from ultraviolet radiation; be incapable of penetration by biting or clawing of household pets (i.e., dogs and cats); have bottoms that remain impervious to damage that would interfere with the cart's intended use after repeated contact with gravel, concrete, asphalt, or any other rough and abrasive surface; and, have wheel and axle assemblies to provide continuous maneuverability and mobility as originally designed and intended.
3. Carts shall be resistant to: common household or residential products and chemicals; human and animal urine and feces; and, airborne gases or particulate matter present in the ambient air.
4. All bins with a capacity of one cubic yard or more shall meet applicable safety laws and be covered with attached lids.
5. Contractor shall obtain City's written approval of container material, design, colors, labeling, and other specifications before acquisition, painting, labeling, or distribution occurs.
6. When purchasing plastic collection containers, Contractor shall purchase containers that contain a minimum of 10% post-consumer recycled plastic content, unless such requirement is waived by City.
7. Container lids shall be designed such that the following requirements are met when properly utilized by the customer:
 - a. Prevents the intrusion of rainwater and vectors.
 - b. Prevents the emissions of odors.
 - c. Enables the free and complete flow of material from the container during the dump cycle without interference with the material already deposited in the truck body or the truck body itself and its lifting mechanism.
 - d. Permits users of the cart to conveniently and easily open and shut the lid throughout the serviceable life of the cart.
 - e. Hinges to the cart body in such a manner to enable the lid to be fully opened, free of tension, to a position whereby it may rest against the backside of the cart body.
 - f. Prevents damage to the container body, the lid itself, or any component parts through repeated opening and closing of the lid by generators or in the dumping process.
 - g. Remains closed in 25 miles per hour winds. All lid hinges shall remain fully functional and continually hold the lid in the original designed and intended positions when either opened or closed or any position between the two extremes.

prohibited container contaminants, and other information concerning SB 1383 programs that can be updated over time to reflect new information or program changes. All containers shall be labeled in accordance with CalRecycle requirements and applicable law. Labels shall be designed to include English, Spanish, and Korean, and Traditional Chinese. If utilized, container labeling shall be on the top of the lid and/or on the body of the cart and shall be reviewed and approved by City.

E. Repair and Replacement of Containers; Inventory.

1. Contractor shall be responsible for repairing or replacing containers when Contractor determines the container is no longer suitable for service or when City or the customer requests replacement of a container that does not properly function, leaks, is damaged, or is otherwise not fit for service. Contractor shall be responsible for acquiring and providing the replacement containers. Contractor shall repair or replace all damaged or broken containers within three working days of a customer or City request. Minor cracks, holes, and other damages to hinges, wheels, axle, hardware, and other component parts shall be readily repairable by Contractor personnel. All repairs shall restore the cart to its full functionality.
2. Contractor shall maintain a sufficient inventory of containers to accommodate new customer requests for service, requests for change in service levels (size, type, or number of containers) from current customers, and requests for replacement due to damage. All replacement containers requested by customers and any newly deployed containers for new services shall be new and SB 1383 color compliant.
3. Contractor shall provide to single-family residential customers at least one free cart replacement for the 12-month period July 1 – June 30 of any contract year for any reason, upon customer request. If a customer requests more than one cart replacement during the period July 1 to June 30 of any contract year, then Contractor shall make carts available at the City-approved rate for such services. In addition, single-family residential customers may also request one cart size exchange per rate period at no charge. All such containers shall be provided within three working days of request. Contractor's failure to comply with the container requirements may result in assessment of liquidated damages in accordance with Section 12.6.
4. Bins shall be replaced on Contractor's normal replacement schedule and any new bins placed into service shall comply with the color and labeling requirements of SB 1383. All refuse, source separated recyclable materials, and/or organic materials bins at a customer location shall be uniform in color.

F. Maintenance, Cleaning, Painting.

1. Containers shall be maintained in a safe, serviceable, and functional condition, and present a clean appearance. Contractor shall repair or replace all customer containers damaged by collection operations in accordance with standards specified in this Section unless damage is caused by the customer's gross negligence, in which case, the customer may be billed for repair or replacement of container at the City-approved rate. All containers shall be maintained in a functional condition.
2. Contractor shall steam clean and/or repaint all customer containers as needed to present a clean appearance. Contractor shall offer steam cleaning service (or clean container exchange) to customers requesting such service and may charge customers for such cleaning (or container exchange).

3. Contractor shall remove graffiti from all customer containers within two working days or notification at no additional charge.

G. Monitoring of Container Enclosures.

1. A container may be considered overfilled when discarded materials project above its rim in a manner that impedes the complete closure of a container's lid and/or when discarded materials are placed outside the container and/or allowed to accumulate, making access to the container unsafe for collection.
2. In the event that a multi-family dwelling or bin commercial customer overfills its bin(s), Contractor shall follow the following procedures in an effort to correct the problem, charge customer in accordance with the approved rate schedule, and/or, if necessary, increase service levels. For any over-fill occurrences, Contractor will document occurrence with a photograph. Contractor shall send a notification to the customer, including a photograph of the overage, and a statement advising of service alternatives including right-sizing opportunities, as well as notifying the customer of an overflow charge and of a possible increase in service level and the related costs. Notification of over-fill can occur via e-mail, invoice statement, or other City approved method. Contractor shall document in its records the location of the encountered overage, a photograph, as well as the outreach material provided to the customer. Contractor shall provide this information to City upon request.

6.7 Personnel

- A. **General.** Contractor shall furnish such qualified personnel as may be necessary to perform this Agreement in a safe and efficient manner. Contractor shall assure that its employees present a neat appearance and conduct themselves in a courteous manner. Contractor shall not permit its employees to accept, demand, or solicit, directly or indirectly, any additional compensation, or gratuity from customers or members of the public.
- B. **Driver Qualifications.** Drivers shall have in effect a valid license, of the appropriate class, issued by the DMV. Contractor shall use the DMV's Class II employer "Pull Notice Program" to monitor its drivers for safety.
- C. **Safety Training.** Contractor shall provide suitable operational and safety training for all employees who operate collection vehicles or equipment. Contractor shall train its employees to identify, and not to collect, excluded waste. Upon request, Contractor shall provide City a copy of Contractor's safety policy and safety training program, the name of its safety officer, and the frequency of its trainings.
- D. **Designated Staff.**
 1. **Contractor's Contract Administrator.** Contractor shall designate at least one qualified employee as City's primary point of contact with Contractor who is principally responsible for collection operations and resolution of service requests and complaints. Such individual shall be empowered to negotiate on behalf of and bind Contractor with respect to any changes in scope, dispute resolution, compensation adjustments, and service-related matters. Such individual is defined as Contractor's Contract Administrator. The City Manager shall be made aware of the name, position, e-mail, and telephone number of this individual, and in the event the Contractor's Contract Administrator is changed, Contractor shall notify the City Manager within 48 hours of the change.

2. **Field Supervisor.** Contractor shall designate one qualified full-time employee as supervisor of field operations. At least 50% of the field supervisor's time shall be dedicated to field checking on collection operations, including responding to customer requests, inquiries, and complaints.
3. **Recycling Coordinator/Sustainability Advisors; Route Auditors.** Contractor shall dedicate the equivalent of one full-time recycling coordinator/sustainability advisor and the equivalent of one-half of a full-time route auditor or compliance monitor to City to complete outreach to customers and develop and implement all public education and outreach activities required under this Agreement. The recycling coordinator/sustainability advisor and route auditors shall conduct outreach, promote waste reduction, recycling, diversion programs, provide technical assistance to multi-family and commercial customers, and upon City request, assist with the distribution of City purchased kitchen pails.
 - a. The recycling coordinator/sustainability advisor shall work exclusively on City programs and services and shall not have other non-City responsibilities or other City responsibilities not related to recycling coordinator/sustainability advisor responsibilities in Brea.
 - b. The recycling coordinator/sustainability advisor shall visit each school located within Brea each rate period to discuss environmental issues with students, read books, and facilitate craft activities.
 - c. Contractor shall provide a fully trained and experienced recycling coordinator/sustainability advisor. In the event of a resignation, Contractor shall have 90 calendar days to provide a replacement.
 - d. At any time, City may, for good cause, request that a Recycling Coordinator/Sustainability Advisor be reassigned to no longer perform any work relating to this Agreement and City shall provide a statement describing the specific good cause reason for such request. Contractor shall promptly review the request and meet and confer with City. Upon confirmation of good cause, Contractor shall remove the identified employee(s) from performing any work related to this Agreement as allowed by and subject to the provisions of any applicable collective bargaining agreement. As used herein, "good cause" means: adjudicated criminal conduct following a trial or plea; conduct that is agreed by the parties to be a threat or harm to persons or property; or, that is agreed by the parties to be socially unacceptable.
 - e. Contractor shall afford City a reasonable opportunity to review, request modifications to, and approve all outreach and educational materials including print, radio, television, or internet media before publication, distribution, and/or release. The recycling coordinator/sustainability advisor shall also work cooperatively with any City-appointed outreach and education consultant.

E. Key Personnel.

1. Contractor shall make every reasonable effort to maintain the stability and continuity of its staff assigned to perform this Agreement. Contractor shall notify City of any changes in Contractor's key staff assigned to perform this Agreement.
2. Notwithstanding City's approval of Contractor's personnel, Contractor shall not be relieved from any liability resulting from the work performed under this Agreement, nor shall

Contractor be relieved from its obligation to ensure that its personnel maintain all requisite certifications, licenses, and the like.

3. At any time, City may, for good cause, request that any of Contractor's non-management employees be reassigned such that they no longer perform any work relating to this Agreement and City shall provide a statement describing the specific good cause reason for such request. Contractor shall promptly review the request and meet and confer with City. Upon confirmation of good cause, Contractor shall remove the identified employee(s) from performing any work related to this Agreement as allowed by and subject to the provisions of any applicable collective bargaining agreement. The vacated position(s) shall be filled by Contractor with a suitable replacement within 10 calendar days or as soon thereafter as practicable. As used herein, "good cause" means: adjudicated criminal conduct following a trial or plea; conduct that is agreed by the parties to be a threat or harm to persons or property; or, conduct that is agreed by the parties to be socially unacceptable.

6.8 Hazardous Waste Inspection and Handling

A. Inspection Program and Training.

1. Contractor shall develop a load inspection program that includes the following components: (i) personnel and training; (ii) load checking activities; (iii) management of wastes; and, (iv) record keeping and emergency procedures.
2. Contractor's load checking personnel, including its collection vehicle drivers, shall be trained in: (i) the effects of hazardous substances on human health and the environment; (ii) identification of prohibited materials; and, (iii) emergency notification and response procedures. Collection vehicle drivers shall inspect containers before collection when practical.

B. Response to Excluded Waste Identified During Collection.

1. If Contractor determines that material placed in any container is excluded waste or presents a hazard to Contractor's employees, then Contractor may refuse to accept such material. The generator shall be contacted by Contractor and requested to arrange proper disposal. If the generator cannot be reached immediately, then Contractor shall, before leaving the premises, leave a non-collection notice that indicates the reason for refusing to collect the material and lists the phone number of a facility that accepts the excluded waste or a phone number of an entity that can provide information on proper disposal of the excluded waste. Under no circumstances shall Contractor's employees knowingly collect excluded waste or remove unsafe or poorly containerized excluded waste from a container.
2. If excluded waste is found in a container or collection area that could possibly result in imminent danger to people or property, Contractor shall immediately notify the Brea Fire Department.

- C. Response to Excluded Waste Identified at Processing or Disposal Facility.** Materials collected by Contractor shall be delivered to the approved facilities for purposes of processing or disposal. In the event that load checkers or equipment operators at such facility identify excluded waste in the loads delivered by Contractor, such personnel shall remove these materials for storage in approved, on-site, excluded waste storage container(s). Contractor shall arrange for removal of the excluded wastes at its cost by permitted haulers in accordance with applicable laws. Contractor may at its sole expense attempt to identify and recover the cost of disposal from the generator. If the

generator can be successfully identified, the cost of this effort, as well as the cost of disposal shall be chargeable to the generator.

6.9 Contract Management

- A. Contractor's Contract Administrator shall be responsible for working closely with the City Manager in the monitoring and administration of this Agreement.
- B. Contractor's Contract Administrator shall meet and confer with the City Manager to resolve differences of interpretation and implement and execute the requirements of this Agreement in an efficient and effective manner that is consistent with the stated objectives.
- C. The City Manager and Contractor's Contract Administrator shall hold contract management meetings monthly or at such other frequency as designated by the City Manager. This meeting is intended to review the status of Contractor's implementation of programs and services, coordinate shared efforts, and such other agenda items as are deemed appropriate.
- D. From time to time the City Manager may designate other agents of City to work with Contractor on specific matters. In the event of a dispute between the City Manager's designee and Contractor, the City Manager's determination shall be conclusive.
- E. The City Manager shall have the right to observe and review Contractor operations and Contractor's processing facilities and enter premises for the purposes of such observation and review, including review of Contractor's operations, maintenance, and safety records, during reasonable hours with reasonable notice. In no event shall Contractor prevent access to such premises for a period of more than three calendar days after receiving such a request.

6.10 Minimum Diversion Requirements

A. General.

- 1. Contractor warrants and represents that it is aware of and familiar with City's current Source Reduction and Recycling Element, that it is familiar with City's waste stream, and that it has the ability to provide sufficient programs and services to ensure City will meet or exceed the diversion goals (including amounts of discarded materials to be diverted, time frames for diversion, and any other requirements) set forth in AB 939, AB 341, AB 1826, and SB 1383, and that it shall do so without imposing any costs or fees other than those set forth in the attached Exhibit D, subject to changes in applicable laws. Contractor acknowledges that it is responsible for ensuring that its various programs achieve the applicable CalRecycle 50% per capita diversion requirements at the Effective Date and that in the absence of a change in applicable laws it may be required to modify its programs from time to time, at no additional cost to City or customers, to meet such diversion requirements. Contractor specifically acknowledges that City's current mandated diversion goal upon the Effective Date as set forth pursuant to the applicable laws is 50% of all solid waste (currently set per AB 939) and that this diversion rate is subject to modification by the Legislature. In the event of a change in applicable laws, including that new programs are required to meet a diversion goal in excess of 50% of all solid waste, the parties shall meet and confer in good faith in advance to determine a fair and reasonable adjustment to the maximum rates set forth in Exhibit D in order to compensate Contractor for implementing such new programs.
- 2. Contractor shall divert from landfilling the state-mandated construction and demolition debris diversion percentage of all construction and demolition debris loads. Contractor shall

provide a diversion report for each construction and demolition project performed by Contractor.

- B. **Implementation of Additional Diversion Services.** In the event City does not meet the CalRecycle 50% per capita of all solid waste generated diversion goal, City may direct Contractor to perform additional services (including the implementation of new diversion programs) or modify the manner in which it performs existing services, and Contractor shall do so and may request a compensation adjustment under Section 4.6. Pilot programs and innovative services that may entail new collection methods, and use of new or alternative waste processing and disposal technologies, are included among the kinds of changes that City may direct.

6.11 Customer Participation Compliance Requirements

General. The minimum required level of customer participation that must be achieved by Contractor on or before May 1, 2025 for residential customers and July 1, 2025 for commercial customers and annually thereafter includes the following:

6.11.1 SB 1383 Programs

- A. **Residential Premises.** Contractor shall fully implement a residential organic materials diversion program where all residential premises are provided the required containers to comply with SB 1383.
- B. **Commercial Premises.** Contractor shall implement and maintain an SB 1383 compliant commercial recycling and organic materials diversion program with the goal of providing recycling and organic materials containers to all customers required to have such containers under CalRecycle requirements, unless the customer has been granted a waiver per the City Code or the customer otherwise complies via third-party program, self-haul, or back-haul programs.

6.11.2 Contractor Has Maintained Full Implementation of All AB 341 and AB 1826 Diversion Programs

Contractor shall implement and maintain AB 341 and AB 1826 diversion programs such that all commercial customers required to have such programs are subscribed to the Contractor-provided program, unless the customer has been granted a waiver per the City Code or the customer otherwise complies via third-party program, self-haul, or back-haul programs.

6.11.3 Non-Compliant Customers

Contractor shall document any customers that are not in compliance with the required mandatory programs per AB 341, AB 1826, and SB 1383, and forward the list of non-compliant customers to City.

ARTICLE 7. RECORD KEEPING AND REPORTING

7.1 Record Keeping

- A. Contractor shall maintain customer contact data, customer service, accounting, statistical, operational, programmatic, and other records, and associated documentation, related to its performance as shall be necessary to provide detailed and accurate reports under this Agreement and to demonstrate compliance with this Agreement and applicable law. Unless otherwise required in this Article, Contractor shall retain all such records and data for four years after expiration or

termination of this Agreement or such longer period as required by applicable law. Records and data shall be in chronological and organized form that is readily and easily interpreted to facilitate the flexible use of data to structure reports. Contractor's records shall be stored in one on site central location, physical or electronic, or at such off-site storage location that can be readily accessed by Contractor. Upon request, and subject to limitations on non-disclosure of confidential and proprietary customer information of Contractor, any such non-confidential records shall be made available to City within five working days for City to review at Contractor's office. As used herein, "confidential and proprietary information" means customer identifying information and service or credit history and other customer financial information that is subject to state or federal privacy laws protecting customers.

- B. Contractor shall maintain adequate record security to preserve records from events that can be reasonably anticipated such as a fire, theft, and an earthquake. Electronically maintained data and records shall be protected and backed-up. City may require Contractor to maintain customer service and compliance records using a City-approved web-based software platform, at Contractor's expense. To the extent that Contractor utilizes its computer systems to comply with record keeping and reporting requirements, Contractor shall, on a monthly basis, save all system-generated reports supporting those record keeping and reporting requirements in a static format in order to provide an audit trail for all data required by City.
- C. At a mutually agreed upon time during normal business hours, but within five working days of a request from City, Contractor shall provide access to City at its offices its data and records with respect to the matters covered by this Agreement and applicable law. Contractor shall permit City to audit, examine, and make excerpts or transcripts from such data and records and make copies of all data relating to all matters covered by this Agreement and applicable law, all at City's expense.
- D. If City receives a CPRA request seeking disclosure of information Contractor has designated as confidential and proprietary, then City shall promptly notify Contractor of the request and provide Contractor a reasonable opportunity to comment on the pending request before City acts upon it. Contractor may seek a court order to limit or enjoin disclosure of such records. In the event City is subject to an action seeking to enforce the CPRA for any Contractor information designated confidential and proprietary and withheld from disclosure, Contractor shall defend and indemnify City in such litigation, which indemnity shall cover all of City's costs and expenses including attorney's fees.
- E. City views its ability to defend itself against CERCLA and related litigation as a matter of great importance. Contractor shall maintain records that can establish where recyclable materials, organic materials, and solid waste collected were transferred, processed, or disposed. This provision shall survive the expiration or termination of this Agreement. Contractor shall maintain these records for a minimum of five years beyond expiration or termination of this Agreement or such longer period as required by applicable law. Contractor shall provide these records to City (upon request or at the end of the record retention period) in an organized and indexed manner rather than destroying or disposing of them.

7.2 Report Submittal Requirements

- A. The parties acknowledge that City will require reporting by Contractor at various intervals by which information important to City can be compiled and analyzed. The parties shall work together to address City's needs with respect to the information to be contained in reports prepared by Contractor. The following is intended as a starting point to have established an objective baseline for reporting, but the frequency and content of the reports may be changed by consensus of the

parties, which shall be memorialized in a writing signed by the City Manager and Contractor's Contract Administrator. Records related to performance of this Agreement shall be maintained by Contractor in forms and by methods that facilitate flexible use of data contained in them to structure reports, as needed. The format of each report shall be approved by City. Contractor shall submit all reports in an electronic format compatible with City's software/computers at no charge to City. Monthly reports shall be submitted within 20 calendar days after the end of the report month. Quarterly reports shall be submitted within 20 calendar days after the end of the calendar quarter. Annual reports shall be submitted within 45 calendar days after the end of the calendar year.

- B. Monthly, quarterly, and annual reports shall include all data and information described in Exhibit F, unless otherwise specified under this Agreement.
- C. Contractor may propose report formats that are responsive to the objectives and audiences for each report. The format of each report shall be approved by City in its sole discretion. City may review and request changes to Contractor's report formats and content and Contractor shall not unreasonably deny such requests.
- D. Contractor shall submit all reports to City electronically via e-mail using software acceptable to City. City may require Contractor to maintain records and submit the reports through use of a City-selected web-based software platform, at Contractor's expense.
- E. City reserves the right to require Contractor to provide additional reports or documents as required for the administration of this Agreement or compliance with applicable law.
- F. Upon request of either of the parties, but no more than two times per year, City and Contractor will meet and confer about the current reporting requirements and templates utilized for the prior calendar year to discuss updates or modifications to the formatting or additional information as required by applicable law.

7.3 System and Services Review

- A. **Hearing.** City may hold an administrative hearing each year at which Contractor shall be present and shall participate to review the solid waste collection, processing, and recycling system and services. It is City's intent to conduct any system and services review concurrently with any performance review.
- B. **Contractor Report.** Sixty days after receiving notice from City, Contractor shall submit a report to City regarding the solid waste collection, processing, and recycling system.
- C. **Review; Scope.** Topics for discussion and review at the system and services review hearing shall include services provided, Contractor's performance, cost and economic and technological feasibility of providing new services, application of new technologies, customer complaints, rights of privacy, amendments to this Agreement, developments in the law, new initiatives for meeting or exceeding AB 939 and SB 1383, or goals and regulatory constraints of other applicable law.
- D. **Additional Topics.** Each party may select additional topics for discussion at any systems and services review hearing.
- E. **City Report.** Not later than 60 days after the conclusion of each system and service review hearing, City shall issue a report. The report shall include a listing of any solid waste, processing, and recycling services not then being provided to City that are considered technically and economically

feasible by City, together with the anticipated costs associated with such services and proposals for generating program revenue to pay for such services in alignment with Sections 4.6 and 9.3.

7.4 Biennial Audit

A. General.

1. Contractor shall fund biennial audits as described below. The scope of the audit, and auditing party, will be determined by City and the scope may include:
 - a. Compliance with this Agreement.
 - b. Customer service levels and billing.
 - c. Fee payments.
 - d. Receipts.
 - e. Tonnage.
 - f. Complaint log.
 - g. Compliance with mandatory commercial recycling, mandatory commercial organics recycling, and SB 1383.
 - h. Verification of diversion rate.
2. The first audit is to be performed during the fourth quarter of 2025, and every two years thereafter. Contractor shall reimburse City the cost of such audits up to \$50,000 for the first audit and up to \$50,000 for each subsequent biennial audit. The up to \$50,000 amount in subsequent years shall be adjusted annually by 3% per year.
3. Should an audit by City disclose that franchise or other fees payable by Contractor were underpaid by 3% or more, or that more than 2% of customers were inaccurately billed, Contractor shall reimburse City for the actual cost of the audit to the extent it exceeded \$50,000.

- B. **Payments and Refunds.** Should an audit by City disclose that the franchise fees payable by Contractor were underpaid or that customers were overcharged for the period under review, Contractor shall pay to City any underpayment of franchise fees and/or refund to customers any overcharges within 30 calendar days following the date of the audit. In the event customers were undercharged, single-family customers may be billed for up to 12 months of services not previously billed and all other customers may be billed for up to 24 months of services not previously billed. In the event customers were overcharged, Contractor shall provide a refund for up to 24 months of overcharged services.

7.5 SB 1383 Record Keeping Software

Contractor shall utilize the City provided SB 1383 software that allows access to both parties, to integrate outreach efforts to customers within Brea, store certain reports required by this Article and Exhibit F, and monitor additional data required to be made available to CalRecycle. City shall provide Contractor on-line access to the database for real-time uploading and monitoring of data.

ARTICLE 8. CONTRACTOR'S CONSIDERATION

8.1 Franchise Fee

- A. **General.** Contractor acknowledges that it, and not customers, is to pay a 10% franchise fee to City as consideration for this Agreement. Accordingly, neither Contractor's bills nor City's bills shall include separate itemization of a "franchise fee" or other similar designation. Finally, Contractor acknowledges the franchise fee is a cost paid solely by Contractor from its profits.
- B. **Contractor Franchise Fee.** Contractor shall pay City an amount equal to 10% of all gross receipts, excluding compactor rental charges, as and for a franchise fee for services directly billed by Contractor pursuant to Section 5.7.3 above. The payment of a franchise fee by an end user shall not be considered payment for franchised services. Contractor shall remit the franchise fee to City pursuant to the provisions of Exhibit D, and without invoice from City. For the avoidance of doubt, the franchise fee shall be based on Contractor's actual receipts from Contractor's billings to its Customers.
- C. **Contractor Billed Fee Remittance.** The franchise fee for customers billed directly by Contractor shall be paid to City monthly on or before the 20th day of each month. Should any such due date fall on a weekend or holiday in which City's business offices are closed, payment shall be due on the first day thereafter in which City's business offices are open.
- D. **City Billed Fee Retention.** City will deduct the 10% franchise fee from its payments to Contractor for customers billed directly by City pursuant to Section 5.7.2 above.
- E. **Fee Remittance After Term.** The franchise fee shall apply to gross receipts of Contractor actually collected after expiration or termination of this Agreement and relating to Contractor's performance of this Agreement. Franchise fee payments shall be accompanied by a statement certified by an officer of Contractor attesting to the accuracy of the amounts paid and setting forth the basis for their calculation in a manner acceptable to City.

8.2 AB 939 Administrative Fees

Pursuant to Public Resources Code Section 41902, Contractor shall pay or collect, as the case may be, an AB 939 administrative fee as may be established by City Council resolution. Following 30 days' prior written notice by City to Contractor, any fee established pursuant to this Section shall be payable by Contractor to City concurrent with the payment of franchise fees.

8.3 Recyclable Materials Revenues

Contractor shall provide to City residential customers 50% of the Contractor revenues from the sales of recovered residential recyclable materials by calculating a residential customer rebate as shown in Exhibit E, Page 5, together with supporting data. This rebate shall be applied annually to the rate adjustment calculations as shown in Exhibit E, Page 1.

8.4 Edible Food Recovery Funding

On or before June 30, 2025, and annually thereafter during the term, Contractor shall provide City with funding (the "Edible Food Recovery Payment") to assist City with contracting with third parties that will facilitate compliance with City's obligations under 14 CCR Chapter 12, Article 10. The Edible Food Recovery

Payment due on or before June 30, 2025, shall be \$45,000. Thereafter, the amount of the Edible Food Recovery Payment shall be increased based on the percentage change in the applicable published index as specifically set forth in Exhibit E herein for commercial rate adjustments.

8.5 Payment Schedule and Late Fees

- A. Checks for franchise fee and recyclable revenue shall be payable to the City of Brea and shall be mailed or otherwise delivered to City's Finance Department.
- B. Contractor payments are due on the 20th day of the month and shall be considered late if they are received after the 25th day of any month. In the event Contractor fails to timely make any of the payments required by this Agreement by the 25th day of any month, Contractor shall pay to City an additional sum of money equal to 5% of the amount due. This amount is required to defray those additional expenses and costs incurred by City by reason of the late payment including the cost of administering, accounting for, and collecting the late payment and the cost to City of postponing services and projects necessitated by the delay in receiving the revenue. In addition to any other remedy provided by law, any amounts not paid to City by Contractor within 60 days of the due date shall be subject to interest in the amount of 10% per annum, calculated on a daily basis for each day such sums remain past due.

8.6 Other Fees

City shall reserve the right to establish other fees, or negotiate changes to fees beyond the regular annual adjustments described above as it deems necessary, to the extent that such further adjustments are also included in the adjustments to the approved rates.

ARTICLE 9.

CONTRACTOR'S COMPENSATION AND RATE SETTING

9.1 General

Contractor shall perform the responsibilities and duties described in this Agreement in consideration of the right to receive compensation for services. Compensation provided for in this Article shall be the complete compensation due to Contractor pursuant to this Agreement for all labor, equipment, materials and supplies, taxes, insurance, bonds, overhead, disposal, recycling, processing, transfer, profit, and all other things necessary to perform all the services required by this Agreement.

9.2 Initial Rates

The rates for the rate period ending June 30, 2026, shall not exceed those set forth in Exhibit D. Contractor has reviewed these maximum rates and agrees they are reasonably expected to generate sufficient revenues to provide adequate compensation. Unless and until the maximum rates set forth in Exhibit D are adjusted, Contractor will provide the services required by this Agreement, charging no more than the maximum rates authorized by Exhibit D, except as provided herein in this Article.

9.3 Schedule of Future Adjustments

Beginning with rate period two (July 1, 2026 to June 30, 2027) and for all subsequent rate periods, either party may request an annual adjustment to the maximum rates shown in Exhibit D, excepting that

Contractor shall be entitled to those adjustments in rates as provided in Section 9.4. For all inflationary adjustments, Contractor shall submit notice in writing by March 1 of the same year based on the method of adjustment described in Section 9.4. Failure to submit a written request by March 1 shall be conclusive as to Contractor's decision not to proceed with an increase for the subsequent year. If any rates would decline based upon Section 9.4 calculations and a rate decrease is not implemented, the subsequent rate adjustment shall be based upon the changes in indices since the previous rate adjustment instead of the change over the prior year.

9.4 Method of Adjustments

9.4.1 General

Pursuant to Section 9.3, the Contractor may request an adjustment to the maximum rates according to the method described below and the formulas shown in Exhibit E, subject to review and approval of City. All future adjustments are to be effective July 1. The rate adjustment calculations shall be separately performed for all rates (Exhibit E).

9.4.2 Cost Component and Rate Adjustment Indexes

The approved rates consist of the following cost components, followed by the initial weightings of each component. Each cost component may be adjusted by the change in the corresponding index as provided below. See Section 9.4.3 for detailed rate adjustment procedures and Exhibit E for examples of rate adjustment calculations.

RESIDENTIAL AND COMMERCIAL/INDUSTRIAL SERVICES COST COMPONENTS				
	Cost Component	% of Costs		Rate Adjustment Index
		Residential	Commercial/ Industrial	
A.	Collection	85.0%	85.0%	Stair step collection component from CPI to GTCI as shown in Exhibit E, Page 3.
B.	Disposal	15.0%	15.0%	Gate rate at the County landfills as of July 1 (as established under the County Waste and Recycling WDA).
	Total	100.0%	100.0%	

Annual Adjustments to Landfill Disposal Component of Rates

It is the intention of the parties that the landfill disposal component associated with any of the maximum rates as set forth in Exhibit D shall be a pass-through component included in the rates subject to City and Contractor agreeing on the allocation of the landfill disposal component of the rate across residential, commercial, industrial, and multifamily sectors. After the effective date of this Agreement, rates shall be adjusted annually on each adjustment date as adjusted by the County pursuant to the County Agreement or any successor agreement then in effect to reflect the direct increase or decrease in the actual landfill disposal (tipping) fees incurred by Contractor for disposal of solid waste collected pursuant to this Agreement. On the effective date of this Agreement, the County Agreement rate is \$42.55 per ton

delivered to the County system. In the event an increase occurs in applicable landfill tipping fees at a time other than an annual adjustment date, Contractor shall receive an adjustment to the maximum rates applicable to the landfill disposal component pursuant to this section.

9.4.3 Rate Adjustment Calculations

A. Residential services rates and commercial/industrial services rates will be adjusted using the same method but will be calculated separately due to the differences in the weightings of the collection and disposal components, as well as the collection component stair step for each customer type, as listed in Section 9.4.2 and Exhibit E, Page 3.

1. **Step One.** Calculate the percentage increase or decrease in collection and disposal component indices listed in Section 9.4.2. The increase or decrease in the collection indices will be for the change in the average annual published indices as shown in Exhibit E, Pages 3 and 4. The average annual change for the CPI or GTCI (as shown in Exhibit E, Pages 3 and 4) will be calculated based on the 12 months ended December prior to the rate adjustment date, and the 12 months ended the prior December.

The disposal component will be based on the actual percentage change in the gate rate at the County landfills.

2. **Step Two.** For the first-rate adjustment, cost components are weighted as listed in Section 9.4.2. For subsequent rate adjustments, the relative weights of the collection and disposal cost components will be determined in Step Four of the prior year's rate adjustment.

Multiply the percentage changes for the collection and disposal cost components, as determined in Step One, by that component's weighting as a percentage of total cost.

3. **Step Three.** Multiply the total weighted percent change from Step Two by the existing maximum residential services rates and commercial/industrial services rates to determine the increase or decrease in maximum rates. Then add (subtract) the changes in rates to (from) the existing maximum rates to determine the new maximum rates.

Apply any City maintenance service costs and the residential recycling rebate per Section 8.3.

4. **Step Four.** Recalculate weightings for the following year based on these changes.

9.5 Extraordinary Adjustments

A. Either party may request an adjustment to maximum rates at reasonable times other than that allowed under Section 9.3 in the event of extraordinary changes in the cost of providing service under this Agreement, including requests related to change in law. Such changes shall not include changes in recyclable materials or organic waste processing costs, changes in the market value of recyclable materials, inaccurate estimates by Contractor of its proposed cost of operations, unionization of Contractor's work force, or change in wage rates or employee benefits. Extraordinary rate adjustments may not be applied retroactively.

B. For each request for an adjustment to the maximum rates Contractor shall prepare a schedule documenting the extraordinary costs. Such request shall be prepared in a form acceptable to City with support for assumptions made by Contractor in preparing the estimate. Contractor shall also submit a schedule showing how its total costs and total revenues have changed over the past three years for the services provided under this Agreement.

- C. Contractor shall provide to City a report of its annual revenues and expenses for the services provided in Brea, and City shall have right to audit this information in connection with City's review of Contractor's rate adjustment request. City may consider increases or decreases in the Contractor's total revenues and total cost of services when reviewing an extraordinary rate adjustment request and City's determination will be final. A rate adjustment request made in response to a new service requested by City will be determined in accordance with Section 4.6.

9.6 Limitations on Rate Adjustments

At least 45 days prior to adjusting any rate(s) charged to customers, Contractor shall provide written notice to City of its intent to adjust such rate(s) and the amount of such adjustment. Contractor shall be entitled to implement the intended adjustment to such rate(s) unless City determines that the adjusted rates will exceed the maximum rates established pursuant to the Proposition 218 Notice for the applicable rate year.

ARTICLE 10. INDEMNITY, INSURANCE, AND PERFORMANCE BOND

10.1 Indemnification

- A. **General.** To the maximum extent permitted by law, Contractor shall indemnify, defend with counsel acceptable to City, and hold harmless City and its officers, officials, employees, volunteers, and agents from and against any and all claims, liability, loss, injuries, damage, expense, and costs (including costs and fees of litigation, including reasonable attorney's and expert witness fees) (collectively, "Damages") of every nature arising out of or in connection with Contractor's performance, and the performance of any subcontractor or agent of Contractor, under this Agreement or Contractor's failure to comply with any of its obligations contained in the Agreement, except to the extent such loss or damage was caused by the negligence or willful misconduct of City. This Section shall survive the expiration or termination of this Agreement and shall not be construed as a waiver of City's legal and/or equitable rights.
- B. **Excluded Waste.**
1. Contractor acknowledges that it is responsible for compliance with applicable law. Contractor shall not knowingly store, transport, use, or dispose of any excluded waste except in strict compliance with applicable law.
 2. If Contractor negligently or willfully mishandles excluded waste, Contractor shall at its sole expense promptly take all investigatory and/or remedial action reasonably required for the remediation of such environmental contamination. Prior to undertaking any investigatory or remedial action, however, Contractor shall first obtain City's approval of any proposed investigatory or remedial action. Should Contractor fail at any time to promptly take such action, City may undertake such action at Contractor's sole cost and expense, and Contractor shall reimburse City for all such expenses within 30 calendar days of being billed for those expenses. These obligations are in addition to Contractor's indemnity, defense, and hold harmless obligations.
 3. Notwithstanding the foregoing, Contractor's duties under this Paragraph shall not extend to any claims arising from the disposal of solid waste at the designated disposal facility, including claims arising under CERCLA, unless such claim is a direct result of Contractor's negligence or willful misconduct.

- C. **Related to AB 939, AB 341, and SB 1383.** Contractor's duty to defend and indemnify herein includes all fines and/or penalties imposed by CalRecycle, if the requirements of AB 939, AB 341, AB 1826, and/or SB 1383 are not met by Contractor with respect to Contractor's obligations under this Agreement, and such failure is: (i) solely due to the failure of Contractor to meet its obligations under this Agreement; or, (ii) solely due to Contractor delays in providing information that prevents Contractor or City from submitting reports to regulators in a timely manner. This indemnity is subject to the provisions of Public Resources Code Section 40059.1.
- D. **Related to Proposition 218.**
1. Should there be a change in law or a new judicial interpretation of applicable law, including California Constitution Articles XIII C and XIII D, that impacts the rates for the collection services, the parties shall meet to discuss the impact of such change in law on this Agreement.
 2. If a rate adjustment determined by the parties to be appropriate to compensate Contractor for increases in costs as described in this Agreement cannot be implemented for any reason, then Contractor shall be granted the option to negotiate with City, in good faith, a reduction of services equal to the value of the rate adjustment that cannot be implemented. If the parties are unable to reach agreement about such a reduction in services, then Contractor may terminate this Agreement upon one year's prior written notice to City. In such event the parties shall each be entitled to payment of amounts due for contract performance through the date of termination but otherwise will have no further obligation to one another unless this Agreement specifically states otherwise, after the date of such termination. Should a court of competent jurisdiction determine that Contractor cannot charge and/or increase its rates for charges related to franchise fees and governmental fees and charges, Contractor shall reduce the rates it charges customers a corresponding amount, providing such fees, reimbursements, rates and/or charges disallowed by the court are not related to the cost of providing service hereunder and had been incorporated in the rates charged by Contractor.
 3. Nothing herein is intended to imply that California Constitution, Articles XIII C or XIII D, apply to the rates established for services provided under this Agreement. Rather this Section 10.1.D is provided merely to allocate risk of an adverse judicial interpretation between the parties.
 4. The cost of all printing, copying, and mailing notices related to such procedural requirements shall be Contractor's sole responsibility.
 5. In the event that any rate adjustments provided for in Section 9.3, 9.4, or 9.5 are not implemented by City solely by reason of a 50% protest lawfully lodged with City in accordance with the requirements of Proposition 218, Contractor may, in its sole discretion, either: (i) accept that the rates will remain at the rates in effect prior to the scheduled adjustment or the requested rate increase; (ii) request in writing that City negotiate in good faith regarding reductions in programs, services, or fees under this Agreement to accommodate any materially adverse financial impact on Contractor's ability to provide any collection services under the Agreement that has been caused by the failure to approve the adjustment; or, (iii) terminate this Agreement by providing City with 180 days' prior written notice.
- E. **CalPERS Eligibility Indemnification.**
1. Contractor's employees, agents, or subcontractors providing service under this Agreement shall not: (i) qualify for any compensation and benefit under CalPERS; (ii) be entitled to any

benefits under CalPERS; (iii) enroll in CalPERS as an employee of City; (iv) receive any employer contributions paid by City for CalPERS benefits; or, (v) be entitled to any other CalPERS-related benefit by reason of the services provided under this Agreement that would accrue to a City employee. Contractor's employees, agents, or subcontractors waive any claims to benefits or compensation described in this Section. This Section applies to Contractor notwithstanding any other law to the contrary.

2. If Contractor's employees, agents, or subcontractors providing services under this Agreement claim, or are determined by a court of competent jurisdiction or the CalPERS to be eligible for enrollment in CalPERS, Contractor shall indemnify, defend, and hold harmless City for the payment of any employer and employee contributions for CalPERS benefits on behalf of the employee as well as for payment of any penalties and interest on such contributions that would otherwise be the responsibility of City.
3. Contractor's compensation under this Agreement shall be the full and complete compensation to which Contractor and Contractor's officers, employees, agents, and subcontractors are entitled for performance of any work under this Agreement. Neither Contractor nor its officers, employees, agents, and subcontractors are entitled to any salary or wages, or retirement, health, leave, or other fringe benefits applicable to City employees. City shall not make any federal or state tax withholdings on behalf of Contractor. City is not required to pay any workers' compensation insurance on behalf of Contractor.
4. Contractor shall defend and indemnify City for any obligation, claim, suit, or demand for tax, retirement contribution including any contribution to CalPERS, social security, salary or wages, overtime payment, or workers' compensation payment that City may be required to make on behalf of Contractor, any employee of Contractor, or any employee of Contractor construed to be an employee of City for work performed under this Agreement.

10.2 Insurance

- A. **Coverages and Requirements.** Contractor shall at all times maintain, at its expense, the following coverages and requirements. The comprehensive general liability insurance shall include broad form property damage insurance and public liability insurance.
 1. **Minimum Coverages.** Insurance coverage shall be with limits not less than the following:
 - a. Comprehensive General Liability – \$10,000,000 combined single limit per occurrence for bodily injury, personal injury, and property damage.
 - b. Automobile Liability – \$10,000,000 combined single limit per accident for bodily injury and property damage (include coverage for Hired and Non-owned vehicles).
 - c. Workers' Compensation – Statutory Limits/Employers' Liability – \$1,000,000/accident for bodily injury or disease.
 - d. Contractor's Pollution Liability – \$10,000,000 per contamination incident and annual aggregate applicable to bodily injury; property damage, including loss of use of damaged property or of property that has not been physically damaged or destroyed; clean-up costs, including first-party cleanup of City's property and third-party cleanup, and bodily injury costs if pollutants impact other properties; and, defense, including costs, fees and expenses incurred in the investigation, defense, or resolution of claims. Coverage shall include completed operations and shall apply to sudden and non-sudden pollution conditions. Coverage shall apply to acts, errors or omissions arising

out of, or in connection with, Contractor's scope of work under this Agreement. Coverage shall also apply to non-owned deposit sites that shall protect against, for example, claims regarding bodily injury, property damage, and/or cleanup costs involving non-owned deposit sites. Coverage is preferred by City to be occurrence based. However, if provided on a claims-made basis, Contractor warrants that any retroactive date applicable to coverage under the policy precedes the Effective Date and that continuous coverage shall be maintained or an extended discovery period will be exercised through expiration or termination of this Agreement for a minimum of five years. This provision does not limit or alter any rights or remedies to City allowable under this Agreement or applicable law in perpetuity.

2. **Additional Insured.** City, its officers, agents, employees, and volunteers shall be named as additional insured on all but the workers' compensation and coverage via blanket-form endorsement.
 3. Such policies shall remain in force through the term of this Agreement and shall be payable on a "per occurrence" basis unless City's Risk Manager specifically consents in writing to a "claims made" basis. For all "claims made" coverage, if Contractor changes insurance carriers Contractor shall purchase "tail" coverage or otherwise provide for continuous coverage covering the term of this Agreement and not less than three years thereafter, except for the five-year tail of Pollution Liability Coverage as described above. Proof of such "tail" or other continuous coverage shall be required at any time that Contractor changes to a new carrier prior to receipt of any payments due.
 4. The deductibles or self-insured retentions are for the account of Contractor and shall be the sole responsibility of Contractor.
 5. Each insurance policy, except Workers' Compensation/Employer's Liability shall be endorsed via blanket-form endorsement to state that coverage shall not be canceled, non-renewed, or materially changed limits except after 30 calendar days' prior written notice has been given to City (10 calendar days for delinquent insurance premium payments) via e-mail to an e-mail address provided by City.
 6. Insurance shall be placed with insurers with a current A.M. Best's rating of no less than A-VII, or with a surplus line carrier with a Best's Key Rating Guide of at least "B."
 7. The policies shall cover all activities of Contractor, its officers, employees, agents, and volunteers arising out of or in connection with this Agreement.
 8. For any claims relating to this Agreement, Contractor's insurance coverage shall be primary, including as respects City, its officers, agents, employees, and volunteers. Any insurance maintained by City shall apply in excess of, and not contribute with, insurance provided by Contractor's liability insurance policy.
 9. Contractor shall waive all rights of subrogation against City, its officers, employees, agents, and volunteers via blanket-form endorsement.
- B. **Certificates of Insurance/Endorsements.** Within five calendar days of the Effective Date, Contractor shall furnish City with an ACORD 25 Certificate of Insurance reflecting coverage required by this Agreement and supplemented with all applicable blanket-form endorsements as required herein. The certificate and blanket-form endorsements shall be signed by an authorized representative of the insurer.

- C. **Renewals.** Contractor shall furnish City with certificate(s) of insurance reflecting renewals, changes in insurance companies, and any other information affecting. The endorsements shall be signed by an authorized representative of the insurer.
- D. **No Cap on Indemnity.** The minimum amounts of coverage described in this Section shall not constitute any limitations or cap on Contractor's indemnification obligations under this Agreement.
- E. **Workers' Compensation.** Contractor shall provide workers' compensation coverage as required by state law and shall comply with Labor Code Section 3700.

10.3 Faithful Performance Bond or Irrevocable Letter of Credit

- A. Contemporaneously with execution of this Agreement, as security for Contractor's faithful performance of all obligations of this Agreement, Contractor shall provide a surety mechanism ("Surety") as more fully defined below in the amount of \$822,000. The Surety may be comprised of either a performance bond or an irrevocable letter of credit, or a combination of both. If a letter of credit is utilized to satisfy some or all of the Surety requirement it shall be drawn upon a financial institution with an office within 50 miles of the Brea Civic and Cultural Center and otherwise in a form acceptable to the City Attorney. The performance bond, if any, shall be issued by a duly authorized corporate surety company authorized to do business in California, in a form reasonably acceptable to the City Attorney, and in full compliance with the provisions of Code of Civil Procedure Section 995.610 et seq. The cost of the Surety shall be the sole obligation of Contractor. The Surety shall be released within 30 days after both: (i) expiration of this Agreement; and, (ii) Contractor's satisfactory performance of all obligations hereunder.
- B. In the event Contractor shall for any reason become unable to, or fail in any way to, perform as required by this Agreement, City may declare a portion or all of the Surety, as may be necessary to recompense and make whole City, forfeited to City. Upon partial or full forfeiture of the Surety, Contractor shall restore the Surety to its original amount within 30 days of City's notice to do so.
- C. Upon City providing Contractor with written notice of its failure to pay City any amount owing under this Agreement, either the letter of credit or performance bond comprising the Surety may be utilized by City for purposes including:
 - 1. Payment of sums due under this Agreement that Contractor has failed to timely pay to City including liquidated damages.
 - 2. Reimbursement of costs borne by City to correct violations of this Agreement not corrected by Contractor.
- D. City may draw upon the entire letter of credit (if any) utilized to meet Contractor's obligations pertaining to the Surety, and convert it to a cash deposit, if Contractor fails to cause the letter of credit to be extended or replaced with another satisfactory letter of credit no later than 60 days prior to its expiration.

10.4 Performance Security Beyond Service Term

Contractor shall not terminate the performance bond or letter of credit and will renew them to ensure continuous availability to City, until receiving a written release from City. City will provide such a release when City, in its reasonable judgment, is fully satisfied that all requirements have been met; provided, however, in no event may City require that the Surety continue more than one year after the termination of this Agreement. However, permission from City to discontinue holding these performance securities does not relieve Contractor of payments to City that may be due or may become due.

ARTICLE 11.
CITY'S RIGHT TO PERFORM SERVICE

11.1 General

- A. Subject to events of force majeure, in the event that Contractor fails, refuses, or is unable to collect, recycle, process, transport, or dispose of any or all discarded materials for a period of more than two working days, and if, as a result thereof, discarded materials should accumulate in Brea to such an extent, in such a manner, or for such a time that such accumulation endangers or menaces the public health, safety, or welfare, then City shall have the right, but not the obligation, upon 24 hours' prior written notice to Contractor to perform, or cause to be performed, such services itself with its own or other personnel without liability to Contractor.
- B. Notwithstanding Section 14.13, notice of Contractor's failure, refusal, or neglect to collect, transport, and dispose of or process discarded materials may be given orally by telephone to Contractor at its principal office and shall be effective immediately. Written confirmation of such oral notification shall be sent to Contractor within one working day of the oral notification.

11.2 Billing and Compensation to City During City's Possession

During such time that City is providing discarded materials services, as above provided, Contractor shall bill and collect payment from all users of the above-mentioned services as described in Section 5. In such event, Contractor shall reimburse City for any and all costs and expenses incurred by City beyond that billed and received by City in such manner and to an extent as would otherwise be required of Contractor under this Agreement. Such reimbursement shall be made from time to time after submission by City to Contractor of each statement listing such costs and expenses but in no event later than five working days from and after each such submission.

11.3 Disaster Preparedness Plan

- A. Within 12 months of the Effective Date, Contractor shall, with City assistance, prepare a written plan detailing how discarded materials services will be delivered in a time of emergency or natural disaster. For the plan, City shall provide Contractor with a written list of critical facilities that City deems in need of special consideration in a time of emergency. Contractor's written plan shall contain a protocol for contacting Contractor management in the event of an emergency, an overview of Contractor's resources available for emergency response, a plan for collection, disposal, and recycling of discarded materials generated by critical facilities until the time of emergency passes and a plan for resuming normal operations following an emergency.
- B. In the event of a disaster, City may grant Contractor a waiver of some or all collection requirements under this Agreement and 14 CCR Section 18984 et seq. in the disaster-affected areas for the duration of the waiver. Any resulting changes in collection requirements shall be addressed as a change in scope in accordance with Section 4.6.

ARTICLE 12.
DEFAULT AND REMEDIES

12.1 Events of Default

- A. The following are Category 1 events of default:
1. **Fraud or Deceit.** Contractor practices, or attempts to practice, any fraud or deceit upon City.
 2. **Insolvency or Bankruptcy.** Contractor becomes insolvent, unable, or unwilling to pay its debts, or upon listing of an order for relief in favor of Contractor in a bankruptcy proceeding.
 3. **False, Misleading, or Inaccurate Statements.** Any representation or disclosure made to City by Contractor in connection with or as an inducement to entering into this Agreement, or any future amendment to this Agreement, that proves to be false or misleading in any material respect as of the time such representation or disclosure is made, whether or not any such representation or disclosure appears as part of this Agreement. Additionally, a default occurs if any Contractor-provided report contains a misstatement, misrepresentation, data manipulation, or an omission of fact or content explicitly defined by the Agreement, excepting non-numerical typographical and grammatical errors.
 4. **Criminal Activity.** Contractor or its officers, managers, or employees are found guilty of criminal activity in connection with the performance of this Agreement or any other contract with City.
 5. **Assignment without Approval.** Contractor transfers or assigns this Agreement without the prior written approval of City.
- B. The following are Category 2 events of default, however, subject to events of force majeure:
1. **Failure to Maintain Coverage.** Contractor fails to provide or maintain in full force the workers' compensation and insurance coverage required by this Agreement.
 2. **Violations of Regulation.** Contractor violates a regulatory agency order in connection with the performance of this Agreement. If Contractor contests any such order by appropriate proceedings conducted in good faith, and the regulatory agency determines no violation occurred, then no default of this Agreement shall be deemed to have occurred.
 3. **Violations of Applicable Law.** Contractor violates applicable law in connection with the performance of this Agreement.
 4. **Failure to Perform Direct Services.** Contractor ceases to provide collection, transportation, or processing services as required under this Agreement for a period of two consecutive calendar days or more for any reason within the control of Contractor.
 5. **Failure to Pay.** Contractor fails to make a required payment to City by the applicable deadline.
 6. **Failure to Report.** Contractor fails to provide City with required information, reports, or records by the applicable deadline.
 7. **Seizure or Attachment.** There is a seizure of, attachment of, or levy on some or all of Contractor's equipment or facilities other than standard liens in connection with any bank financing.

8. **Suspension or Termination of Service.** There is any termination or suspension of the transaction of business by Contractor related to this Agreement, including due to labor unrest including strike, work stoppage or slowdown, sick-out, picketing, or other concerted job action lasting more than seven calendar days for residential customers and three calendar days for commercial customers.
9. **Failure to Provide Proposal or Implement Change in Service.** Contractor fails to provide a proposal for new services or changes to services or fails to implement a change in service as requested by City.
10. **Failure to Implement Collection Program.** Contractor fails to implement a collection program that complies with the requirements of Article 5 and Exhibit B.
11. **Failure to Provide Processing Capacity.** Contractor fails to provide processing capacity in accordance with Articles 5 and 6.
12. **Failure to Achieve Processing Standards.** Contractor fails to achieve the processing standards specified in Articles 4 and 5 including achievement of minimum organic waste recovery rates.
13. **Failure to Comply with Other Requirements of SB 1383.** Contractor fails to comply with other SB 1383 requirements including public education, reporting, contamination monitoring, record keeping and reporting, or other obligations of this Agreement that delegate City's responsibility and authority under SB 1383 to Contractor, which results in a final judgment against City pursuant to an enforcement action brought by CalRecycle for failing to achieve SB 1383 compliance pursuant to CCR title 14 § 18997. 5.
14. **Failure to Dispose of Solid Waste at the Designated Disposal Facility.** Contractor fails to dispose of solid waste collected within Brea at the designated disposal facility unless use of facility is no longer required or available.
15. **Acts or Omissions.** Any other act or omission by Contractor that violates this Agreement or applicable law. All provisions of this Agreement are considered material.

12.2 Contractor's Right to Cure; Right to Terminate Upon Event of Default

- A. If City issues a notice of default for a Category 1 event of default, then Contractor shall not be entitled to an opportunity to cure the default. Subject to this Paragraph and Section 12.2.C below, Contractor has a right to cure for Category 2 events of default. City shall afford Contractor 30 days or a reasonable period of time under the circumstances to cure the default unless City reasonably determines the default presents an immediate threat to public health or safety. In such event, Contractor shall not be entitled to an opportunity to cure the default.
- B. If a Category 2 default does not present an immediate threat to public health or safety and cannot reasonably be cured within 30 calendar days, then City may not terminate this Agreement based upon such default if Contractor promptly commences and diligently pursues the cure to completion.
- C. After the initial five years of the term of this Agreement, subject to events of force majeure, Contractor shall not be entitled to an opportunity to cure the default in the instance where Contractor has within a 24-month period twice committed the same item 1, 5, 7, 9, or 11 Category 2 default in Section 12.1 B above. City may determine to allow Contractor to cure the default as set forth in Section 12.2.A above.

12.3 City's Remedies in the Event of Default

Upon Contractor's default, City has the following remedies in the event of Contractor default:

- A. **Waiver of Default.** City may waive any event of default or may waive Contractor's requirement to cure a default event if City determines that such waiver would be in the best interest of City. City's waiver of an event of default is not a waiver of future events of default that may have the same or similar conditions.
- B. **Suspension of Contractor's Obligation.** City may suspend Contractor's performance of its obligations if Contractor fails to cure default in the time frame specified in Section 12.2 until such time Contractor can provide assurance of performance in accordance with Section 12.8.
- C. **Liquidated Damages.** City may assess liquidated damages for Contractor's failure to meet specific performance standards in accordance with Section 12.6.
- D. **Termination.** Subject to the provisions of Section 12.2 above,
 1. City may, in its discretion, set a public hearing for the City Council to determine whether to terminate this Agreement.
 2. If City terminates this Agreement for default, Contractor shall be given 30 calendar days' notice. Contractor shall thereafter be relieved on a going-forward basis of all liabilities and obligations required by this Agreement, except for Section 10.1 and any other provisions specifically identified to survive termination of this Agreement. Upon expiration of the 30 day notice, City may, in its sole discretion, do any of the following:
 - a. Directly undertake performance of the services.
 - b. Arrange with other persons to perform the services with or without a written agreement.
 - c. Permit Contractor to continue operating under this Agreement including Contractor's compensation until such time that City is able to find substitute services.
 3. This right of termination is in addition to any other rights upon a failure of Contractor to perform this Agreement.
 4. Contractor shall not be entitled to any further revenues from collection operations after the termination date.

12.4 Possession of Records Upon Termination

In the event of termination for an event of default, Contractor shall furnish City with immediate access to its business records that are required to be maintained pursuant to this Agreement in a format compatible with City's computer systems, including customer information, collection routes, compliance records, and billing of accounts for collection services.

12.5 City's Remedies Cumulative; Specific Performance

- A. City's rights to terminate this Agreement under Section 12.2 and to take possession of the Contractor's records under Section 12.4 are not exclusive, and City's termination of this Agreement or imposition of liquidated damages shall not constitute an election of remedies. Instead, these

rights shall be in addition to any and all other legal and equitable rights and remedies that City may have.

- B. By virtue of the nature of this Agreement, the urgency of timely, continuous, and high-quality service; the lead time required to effect alternative service; and, the rights granted by City to the Contractor, the remedy of damages for a breach hereof by Contractor is inadequate and City shall be entitled to injunctive relief (including specific performance).

12.6 Performance Standards and Liquidated Damages

- A. **General.** The parties acknowledge that it is impractical, if not impossible, to reasonably ascertain the extent of damages that shall be incurred by City as a result of a breach by Contractor of this Agreement. The impracticability of ascertaining damages is due to multiple factors including that: (i) substantial damage results to members of the public who are denied services or denied quality or reliable service; (ii) such breaches cause inconvenience, anxiety, frustration, and deprivation of the benefits of the Agreement to individual members of the general public for whose benefit this Agreement exists, in subjective ways and in varying degrees of intensity that are incapable of measurement in precise monetary terms; (iii) exclusive services might be available at substantially lower costs than alternative services and the monetary loss resulting from denial of services or denial of quality or reliable services is impossible to calculate in precise monetary terms; and, (iv) termination of this Agreement for such breaches, and other remedies are, at best, a means of future correction and not remedies that make the public whole for past breaches.
- B. **Service Performance Standards; Liquidated Damages for Failure to Meet Standards.**
1. The parties further acknowledge that consistent, reliable collection services are of utmost importance to City and that City has considered and relied on Contractor's representations regarding its quality-of-service commitment in awarding this Agreement. The parties recognize that some quantified standards of performance are necessary and appropriate to ensure consistent and reliable service and performance. The parties further recognize that if Contractor fails to achieve the performance standards or fails to submit required documents in a timely manner, then City and Brea residents and businesses will suffer damages, and that it is, and will be, impractical and extremely difficult to ascertain and determine the exact amount of damages that City will suffer.
 2. City may determine the occurrence of events giving rise to liquidated damages through the observation of its own employees or representatives or investigation of customer complaints. It is the desire of the parties to work together to avoid the imposition of liquidated damages, and accordingly City will endeavor to timely communicate to Contractor any information that City receives that might give rise to the imposition of liquidated damages in order to facilitate Contractor's ability to correct any deficiency or prevent the recurrence of any conduct for which liquidated damages might eventually be imposed.
 3. Prior to assessing liquidated damages, City shall give Contractor a pre-assessment notice; however, Contractor will not be provided notice for those breaches identified under Sections 12.6.C.1.b, 12.6.C.1.c, 12.6.C.3.a, 12.6.C.3.b, and 12.6.C.3.d because it would not be possible to rectify these breaches in a timely manner after the stated period for correction has passed. Such notice will include a brief description of the incident(s)/non-performance(s) for which liquidated damages are to be assessed. Contractor may review (and make copies at its own expense) all information in the possession of City relating to the identified incident(s)/non-performance(s). Contractor may, within 10 days after receiving the pre-assessment notice,

request a hearing before the City Manager. Contractor may present evidence in writing and through testimony of its employees and others relevant to the incident(s)/non-performance(s). City will provide Contractor with a written explanation of the City Manager’s determination on each incident/non-performance prior to assessing liquidated damages. The decision of the City Manager shall be final.

Therefore, without prejudice to City’s right to treat such non-performance as an event of default, and Contractor’s right to cure outlined above, the parties agree that the liquidated damages amounts established in this Section 12.6 represent a reasonable estimate of the amount of such damages considering all of the circumstances existing on the Effective Date, including the relationship of the sums to the range of harm to City that reasonably could be anticipated and the anticipation that proof of actual damages would be costly or impractical.

Contractor *Republic Services*
 Initial Here *PB*

City *Brea*
 Initial Here *BS*

C. Contractor shall pay as liquidated damages, and not as a penalty, the amounts set forth below:

1. Collection Reliability		
a	For each failure to commence service to a new customer account within seven days after order.	\$100 per occurrence
b	For each failure to collect discarded materials, which has been properly set out for collection.	\$100 per occurrence
c	For each failure to correct and collect a missed service within the timeframe set forth in Section 5.8.B.2.	\$100 per occurrence; Each additional 24-hour period: \$50 per occurrence
d	For each failure to comply with the provisions in Section 12.7 Contractor’s actions during a work stoppage.	\$1,000 per day
e	For each failure to collect illegally dumped bulky goods within two days of notification by City per Exhibit B4, Item 7.	\$100 per day illegally dumped bulky goods remains uncollected.

2. Collection Quality		
a	For failure to properly return empty containers to avoid pedestrian or vehicular traffic impediments or to place containers upright, which exceeds 10 containers annually.	\$50 per container
b	For each occurrence of excessive noise or discourteous behavior, which exceed 10 occurrences annually.	\$100 per occurrence
c	For each occurrence of collecting discarded materials during unauthorized hours, which exceeds 10 such occurrences annually.	\$100 per occurrence
d	For each occurrence of damage to private property, which exceeds five such occurrences annually.	\$100 per occurrence
e	For each failure to clean up discarded materials spilled from collection containers within 90 minutes that exceeds 10 such failures annually.	\$100 per occurrence

f	For each failure to clean up vehicle leaks or spills within the timeframe required by Section 6.5.E.	\$500 per occurrence
g	For each failure to follow the cleanup procedures included in Section 6.5.E.	\$500 per square foot of affected area
h	For each incidence of commingling of solid waste with recyclable materials and/or green waste/food scraps in collection vehicles except as provided in the event of contamination (when contaminated materials may be placed in truck with solid waste).	\$1,000 per incident

3. Customer Responsiveness

a	For each failure to initially respond to a customer complaint within one working day, and for each additional day in which the complaint is not addressed, which exceed five annually.	\$50 per day
b	For each failure to process customer complaints as required by Article 5, which exceed five annually.	\$50 per occurrence
c	For each failure to record a response to a customer complaint or request within 24 hours of resolution. Each additional 24-hour period.	\$100 per occurrence \$50 per occurrence
d	For each failure to respond to a written inquiry from City's solid waste contract manager regarding service requests or requests for information within two working days, and for each additional day in which the inquiry is not addressed, which exceed five occurrences annually.	\$100 per occurrence
e	For each failure to remove graffiti from containers, or to replace with containers bearing no graffiti, within two working days of request from City or customer. Each additional day problem not resolved.	\$50 per day \$25 per day
f	For each failure to repair or replace a damaged or missing container within two working days of request from City or a customer.	\$50 per day
g	For each failure to process a claim for damages within 30 days from the date submitted to Contractor.	\$100 per occurrence
h	For each failure to issue a warning notice to a container or materials not collected due to improper set-out, which exceeds 10 such occurrences annually.	\$100 per day per occurrence

4. Failure to Submit Reports or Allow Access to Records

For each failure to submit any individual report or provide access to records in compliance with and in the timeframe specified in this Agreement. Incomplete and/or inaccurate reports shall be considered a failure to submit until such time as all information in the report has been provided in a complete and accurate form. In the event City determines a report to be errant or incomplete more than 10 working days after submittal by Contractor, Contractor shall be given 10 working days to complete and correct and any pending liquidated damages shall be tolled during that period.

a	Monthly Reports	\$100 per day
b	Quarterly Reports	\$250 per day
c	Annual Reports	\$500 per day
d	All Other Reports	\$100 per day

5. Accuracy of Billing		
a	Each customer invoice that is not prepared in accordance with the approved rate schedule, which exceeds 10 annually.	\$25 per invoice not to exceed \$2,500 per billing run
b	For each instance or invoice in which Contractor imposes a special service fee not in accordance with the approved rate schedule and not approved in advance in writing by City, or not requested by the service recipient, which exceeds 10 such occurrences annually.	\$50 per occurrence
c	Failure to provide a customer with a response, including an explanation and/or correction, to a billing complaint within seven working days from the complaint. Each additional day response not provided.	\$100 per occurrence \$50

6. Public Education and Outreach		
a	Failure to perform public education and outreach activities:	
	1st violation	\$50
	2nd violation	\$100
	3rd and subsequent violations	\$250 per occurrence

7. Cooperation with Service Provider Transition		
a	For each day routing information requested by City in accordance with Section 14.10 is received after City-established due dates, both for preparation of a request for proposals and for new service provider's implementation of service.	\$1,000 per day
b	For each day delivery of keys, access codes, remote controls, or other means of access to discarded materials containers is delayed beyond one day prior to new service provider servicing customers with access issues, as described in Section 14.10.	\$1,000 per day

8. SB 1383 Requirements		
a	Use of Unauthorized Facilities. For each individual occurrence of delivering discarded materials to a facility other than an approved facility for each discarded material type.	1 st violation - \$50 per ton 2 nd violation - \$100 per ton 3 rd and subsequent violations - \$250 per ton per offense
b	Failure to Implement Three- /Three-plus Container System. For each occurrence of failing to provide customers with the three- /three-plus container system required by with SB 1383 (excluding generators and customers that have been granted waivers or that demonstrate compliance with recycling and organic waste self-hauling requirements). Damages are per generator or customer per occurrence (minor, moderate, and major violations are as defined in 14 CCR Section 18997.3).	\$250 – Minor violation \$500 – Moderate violation \$1,000 – Major violation

8. SB 1383 Requirements		
c	Failure of Approved Facility to Meet Limits on Organic Waste in Materials Sent to Disposal. For each ton of mixed waste, source separate recyclable materials, source separated blue container organic waste, source separated green container organic waste, or organic materials received at the facility in a quarterly reporting period when organic waste in the materials sent to disposal exceeds the thresholds included in SB 1383 if limits on organic waste in materials sent to disposal apply. Liquidated damages are assessed in the quarterly reporting period when the failure occurred.	1 st violation - \$50 per ton per offense 2 nd violation - \$100 per ton per offense 3 rd and subsequent violations - \$250 per ton per offense
d	Failure to Perform Contamination Monitoring Requirements. For each failure to conduct contamination monitoring in accordance with Section 5.11.	1 st violation - \$50 per route per occurrence 2 nd violation - \$100 per route per occurrence 3 rd and subsequent violations - \$250 per route per occurrence
e	Failure to Comply with Container Labeling and Colors. For each occurrence of failure to comply with container labeling and color requirements.	1 st violation - \$50 2 nd violation - \$100 3 rd and subsequent violations - \$250 per container
f	Failure to Conduct Compliance Tasks. For each failure to conduct any compliance review, discarded materials evaluations pursuant to SB 1383, and/or other inspection required by this Agreement.	1 st violation - \$50 2 nd violation - \$100 3 rd and subsequent violations - \$250 per occurrence
g	Failure to Issue Contamination Processing Fee Notices. For each failure to issue contamination notices and contamination processing fee notices and maintain documentation of issuance as required by Section 5.11.	1 st violation - \$50 2 nd violation - \$100 3 rd and subsequent violations - \$250 per route per day
h	Failure to Conduct Follow-Up Inspections. For each failure to conduct a follow-up inspection as required by Section 5.8.C.	1 st violation - \$50 2 nd violation - \$100 3 rd and subsequent violations - \$250 per occurrence
i	Failure to Provide non-confidential Customer Information Requested from Contractor's Information Systems within 3 business days.	\$250 per day
9. General Contract Adherence		
a	For each day that Contractor fails to provide services required under this Agreement, or comply with terms of this Agreement,	\$100 per day

five working days after receipt of written notification from City that such services are not being provided or terms are not being met.	
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- D. **Amount.** City may assess liquidated damages for each calendar day or event, as appropriate, that Contractor is determined to be liable in accordance with this Agreement.
- E. **Timing of Payment.** Contractor shall pay any liquidated damages assessed by City within 30 calendar days of notice of assessment. If payment is not made by the deadline, then City may proceed against the performance bond, find Contractor in default and terminate this Agreement pursuant to Section 12.1, or both.
- F. **Payment.** City may deduct the amount of liquidated damages owed by Contractor from City's monthly payments to Contractor for services rendered pursuant to this Agreement or may invoice Contractor directly.
- G. **City's Right to Recover.** City's right to recover liquidated damages for Contractor's failure to meet the service performance standards shall not preclude City from obtaining equitable relief for persistent failures to meet such standards nor from terminating the Agreement for such persistent failures.

12.7 Excuse from Performance

A. Force Majeure.

1. A party shall be excused from performing its obligations and from any obligation to pay liquidated damages and Contractor shall not be in default under this Agreement if Contractor is prevented from performing the collection, transportation, and/or disposal services for any of the following reasons: riots; wars; sabotage; civil disturbances, pandemics; government restrictions and orders; insurrections; explosion; natural disasters such as floods, earthquakes, landslides and fires; strikes, lockouts, and other labor disturbances by persons other than Contractor's employees; and, other similar catastrophic events that are beyond the control of and not the fault of the party claiming excuse from performance hereunder. The party claiming excuse from performance shall, within two calendar days after such party has notice of such cause, give the other party notice of the facts constituting such cause and asserting its claim to excuse under this Section. If either party validly exercises its rights under this Section, the parties waive any claim against each other for any damages sustained thereby.
2. The partial or complete interruption or discontinuance of Contractor's services caused by one or more of the events described in this Section shall not constitute a default by Contractor under this Agreement. Notwithstanding the foregoing, however, if Contractor is excused from performing its obligations for any of the causes listed in this Section for a period of 30 calendar days or more, City shall nevertheless have the right, in its sole discretion, to terminate this Agreement by giving 10 working days' notice to Contractor, in which case the provisions of Section 12.4 shall apply.
3. In the event of a labor disturbance that interrupts collection, transportation, and/or disposal of discarded materials by Contractor as required under this Agreement, the provisions of Section 12.7.B shall apply.

B. Labor Disputes.

1. **Labor Unrest Directed at Third Party.** In the case of labor unrest or job action directed at a third party over whom Contractor has no control, the inability of Contractor to provide services in accordance with this Agreement due to the unwillingness or failure of the third party to: (i) provide reasonable assurance of the safety of Contractor's employees while providing such services; or, (ii) make reasonable accommodations with respect to container placement and point of delivery, time of collection, or other operating circumstances to minimize any confrontation with pickets or the number of persons necessary to make collections shall, to that limited extent, excuse performance. The foregoing excuse shall be conditioned on Contractor's cooperation in performing collection services at different times and in different locations.
2. **Contractor Labor Disruptions.**
 - a. Contractor shall advise City in writing at the time any negotiations are undertaken between Contractor and its employees relating to wages and benefits, and Contractor shall regularly report the status of such negotiations from time to time including any pending strike, lock out, walk out, boycott, or other labor dispute to City. Contractor agrees that in the event service is disrupted due to a labor dispute, Contractor shall place a minimum of five 40-yard roll-off boxes or other containers of equivalent capacity at locations designated by City to serve as collection points for customers within two days of such service interruption. Contractor also shall procure and distribute plastic bags for use by customers. City shall specify distribution locations, and may create the schedule for Contractor distribution. Contractor shall notify City within 24 hours of a notice from a labor union of a possible work stoppage. Containers shall be collected by Contractor for no additional charge as necessary to accommodate the waste volume disposed in such containers.
 - b. During labor unrest (including strike, work stoppage or slowdown, sick-out, picketing, or other concerted job action) conducted by Contractor's employees or directed at Contractor the following provisions shall apply.
 - i. Contractor shall be excused from performance only to the extent that the following requirements are met:
 - A. Within 90 days of the Effective Date, Contractor provides City a lawful and commercially reasonable contingency plan demonstrating how services will be provided during the period of labor unrest. The contingency plan is subject to City approval and Contractor shall amend the plan until it meets City requirements, including reasonably demonstrating how City's basic collection and sanitary needs will be met to City's satisfaction.
 - B. Contractor shall meet all requirements of the approved contingency plan.
 - ii. Contractor shall reimburse City for direct third-party costs (including attorney's fees) incurred by City as a result of the labor unrest. Payment shall be made within 30 days following Contractor's receipt of an invoice from City for such costs.
 - iii. Contractor shall provide rebates to customers in accordance with the attached Exhibit N.

3. **Collection During Labor Disruption.** Contractor shall prioritize those collection activities it is able to perform during the pendency of the labor disruption, with hospitals, essential services, restaurants, and other six services days per week customers prioritized for collection on the basis of health and sanitation. In the event that a labor strike or disruption to collection services should last longer than seven consecutive days, City may contract with a third party to provide collection services for the period of time limited to the time Contractor is unable to provide such services until the labor strike or disruption has concluded. Contractor shall notify City when the labor disruption has ended and the date Contractor will resume collection services.

12.8 Right to Demand Assurances of Performance

- A. The parties acknowledge that it is of the utmost importance to City and the health and safety of all those members of the public residing or doing business within Brea who will be adversely affected by interrupted waste management service that there be no material interruption in services provided under this Agreement.
- B. If Contractor: (i) appears in the reasonable judgment of City to be unable to regularly pay its bills as they become due; or, (ii) is the subject of a civil or criminal judgment or order entered by a regulatory agency, and City believes in good faith that Contractor's ability to perform under the Agreement has thereby been placed in substantial jeopardy, City may, at its sole option and in addition to all other remedies it may have, demand from Contractor reasonable assurances of timely and proper performance of this Agreement, in such form and substance as City believes in good faith is reasonably necessary in the circumstances to evidence continued ability to perform under the Agreement. If Contractor fails or refuses to provide satisfactory assurances of timely and proper performance in the form and by the date required by City, such failure or refusal shall be an event of default for purposes of Section 12.1.

12.9 Dispute Resolution

- A. **Meet and Confer.** In the event of disputes regarding the performance of any obligation under this Agreement that result in a material impact to the Contractor's revenue and/or cost of operations, the parties shall promptly meet and confer to attempt to resolve the matter between themselves.
- B. **Mediation.** If a dispute cannot be resolved satisfactorily through the meet and confer process, the dispute shall be submitted to mandatory, non-binding mediation by a mutually agreed upon independent third party.
- C. **Period of Time.** To the extent permitted by law, the deadline for filing a claim against City shall be tolled during the period of time for which meet and confer or mediation procedures are pending.
- D. **Litigation.** Litigation may be commenced only after all reasonable efforts to resolve the dispute(s) pursuant to this Section have failed and any necessary claim(s) have been denied.

ARTICLE 13.

REPRESENTATIONS AND WARRANTIES OF THE PARTIES

13.1 Contractor's Status

Contractor represents and warrants that it is a limited liability company duly organized, validly existing, and in good standing under the laws of the State of Delaware. It is qualified to transact business in the

State of California and has the power to own its properties and to carry on its business as now owned and operated and as required by this Agreement.

13.2 Contractor's Authorization

Contractor represents and warrants that it has the authority to enter this Agreement and perform its obligations under this Agreement. The Board of Directors of Contractor (or the sole member, if necessary) has taken all actions required by law, its articles of organization, or otherwise, to authorize the execution of this Agreement. The persons signing this Agreement on behalf of Contractor represent and warrant that they have authority to do so. This Agreement constitutes the legal, valid, and binding obligation of Contractor.

13.3 Agreement Will Not Cause Breach

Each party represents and warrants that, to the best of its knowledge after reasonable investigation, the execution or delivery of this Agreement or the performance by either party of its obligations hereunder does not conflict with, violate, or result in a breach of: (i) any applicable law; or, (ii) any term or condition of any judgment, order, or decree of any court, administrative agency, or other governmental authority, or any agreement or instrument executed by such party or by which such party or any of its properties or assets are bound.

13.4 No Litigation

Each party represents and warrants that, to the best of its knowledge after reasonable investigation, there is no action, suit, proceeding, or investigation, at law or in equity, before or by any court or governmental authority, commission, board, agency, or instrumentality decided, pending, or threatened against it wherein an unfavorable decision, ruling, or finding, in any single case or in the aggregate, would:

- A. Materially adversely affect the performance by such party of its obligations hereunder.
- B. Adversely affect the validity or enforceability of this Agreement.
- C. Have a material adverse effect on the financial condition of Contractor, or any surety or entity guaranteeing Contractor's performance under this Agreement.

13.5 No Adverse Judicial Decisions

Each party represents and warrants that, to the best of its knowledge after reasonable investigation, there is no judicial decision that would prohibit this Agreement or subject this Agreement to legal challenge.

13.6 No Legal Prohibition

Each party represents and warrants that, to the best of its knowledge after reasonable investigation, there is no law on the date that it signed this Agreement that would prohibit the performance of either party's obligations under this Agreement.

13.7 Contractor's Ability to Perform

Contractor represents and warrants that it possesses the business, professional, and technical expertise to perform all services, obligations, and duties as described in and required by this Agreement. Contractor

possesses the ability to secure equipment, facility, and employee resources required to perform its obligations under this Agreement.

ARTICLE 14. MISCELLANEOUS

14.1 Relationship of Parties

Contractor shall perform the services required by this Agreement as an independent contractor engaged by City and not as an officer nor employee of City, nor as a partner or agent of, or joint venture with, City. No employee or agent of Contractor shall be, or shall be deemed to be, an employee or agent of City. Contractor shall have the exclusive control over the manner and means of performing services under this Agreement, except as expressly provided herein. Contractor shall be solely responsible for the acts and omissions of its officers, employees, subcontractors, and agents. Neither Contractor nor its officers, employees, subcontractors, and agents shall obtain any rights to retirement benefits, workers' compensation benefits, or any other benefits that accrue to City employees by virtue of their employment with City.

14.2 Compliance with Law

Contractor shall at all times, at its sole cost, comply with applicable law in force as of the Effective Date and as may subsequently be enacted.

14.3 Governing Law

This Agreement shall be governed by, and construed and enforced in accordance with, the laws of the State of California.

14.4 Jurisdiction

Any lawsuits between the parties arising out of this Agreement shall be filed exclusively in a court of competent jurisdiction in the County of Orange, California. The parties waive all provisions of law providing for a change of venue in these proceedings to any other county.

14.5 Binding on Successors

The provisions of this Agreement shall inure to the benefit to and be binding on the successors and permitted assigns of the parties.

14.6 Assignment

- A. Contractor shall not assign its rights, nor delegate, subcontract, or otherwise transfer its obligations under this Agreement to any other person without the prior written consent of City. Any such assignment made without City's consent shall be void and the attempted assignment shall constitute a material breach of this Agreement.
- B. For purposes of this Section, "assignment" shall include: (i) a sale, exchange, or other transfer of substantially all of Contractor's assets dedicated to service under this Agreement to a third party; (ii) a sale, exchange, or other transfer of outstanding common stock of Contractor to a third party

provided such sale, exchange, or transfer may result in a change of control of Contractor; (iii) any dissolution, reorganization, consolidation, merger, re-capitalization, stock issuance or re-issuance, voting trust, pooling agreement, escrow arrangement, liquidation, or other transaction to which results in a change of ownership or control of Contractor; (iv) any assignment by operation of law, including insolvency or bankruptcy, making assignment for the benefit of creditors, writ of attachment for an execution being levied against this Agreement, appointment of a receiver taking possession of Contractor's property, or transfer occurring in the event of a probate proceeding; and, (v) any combination of the foregoing (whether or not in related or contemporaneous transactions) that has the effect of any such transfer or change of ownership, or change of control of Contractor.

- C. Contractor acknowledges that this Agreement involves rendering a vital service to City's residents and businesses, and that City has selected Contractor to perform the services specified herein based on: (i) Contractor's experience, skill, and reputation for conducting its discarded materials management operations in a safe, effective, and responsible fashion, at all times in keeping with applicable laws pertaining to excluded waste, regulations, and best discarded materials management practices; and, (ii) Contractor's financial resources to maintain the required equipment and to support its indemnity obligations to City under this Agreement. City has relied on each of these factors, among others, in choosing Contractor to perform the services to be rendered by Contractor under this Agreement.
- D. If Contractor requests City's consideration of and consent to an assignment, City may deny or approve such request in its complete discretion. No request by Contractor for consent to an assignment need be considered by City unless and until Contractor has met all of the following requirements:
1. Contractor shall undertake to pay City its reasonable expenses for attorney's fees and investigation costs necessary to investigate the suitability of any proposed assignee and to review and finalize any documentation required as a condition for approving any such assignment.
 2. Contractor shall pay City a transfer fee to cover the cost of all direct and indirect administrative expenses (including consultants and attorneys) necessary for City to analyze the transfer application.
 3. Contractor shall furnish City with audited financial statements of the proposed assignee's operations for the immediately preceding three operating years.
 4. Contractor shall furnish City with a pro forma financial statement (income statement and balance sheet) for the proposed assignee with the projected results of operations assuming that the assignment is completed. Such pro forma financial statement shall reflect any debt to be incurred by the assignee as part of the acquisition of Contractor's operations.
 5. Contractor shall furnish City with satisfactory proof: (i) that the proposed assignee has at least 10 years of discarded materials management experience on a scale equal to or exceeding the scale of operations conducted by Contractor under this Agreement; (ii) that in the last five years, the proposed assignee has not suffered any significant citations or other censure from any regulatory agency having jurisdiction over its discarded materials management operations due to any significant failure to comply with applicable laws pertaining to excluded waste and that the assignee has provided City with a complete list of such citations and censures; (iii) that the proposed assignee has at all times conducted its operations in an environmentally safe and conscientious fashion; (iv) that the proposed

assignee conducts its discarded materials management practices in accordance with sound discarded materials management practices in full compliance with applicable laws regulating the collection and disposal of discarded materials including hazardous waste; and, (v) of any other information required by City to ensure the proposed assignee can perform this Agreement in a timely, safe, and effective manner.

- E. Under no circumstances shall City be obliged to consider any proposed assignment by City if Contractor is in default at any time during the period of consideration.

14.7 No Third-Party Beneficiaries

This Agreement is not intended to, and will not be construed to, create any right on the part of any third party to bring an action to enforce any of its terms.

14.8 Waiver

The waiver by either party of any breach or violation of any provisions of this Agreement shall not be deemed to be a waiver of any breach or violation of any other provision nor of any subsequent breach or violation of the same or any other provision. The subsequent acceptance by either party of any monies that become due hereunder shall not be deemed to be a waiver of any pre-existing or concurrent breach or violation by the other party of any provision of this Agreement.

14.9 Affiliated Companies

- A. Contractor's accounting records with respect to this Agreement shall be maintained on a basis showing the results of Contractor's operations under this Agreement separately from operations in other locations, as if Contractor were an independent entity providing service only to City. The financial records of costs and revenues associated with providing service to City shall not be combined, consolidated, or in any other way incorporated with those of other operations conducted by Contractor in other locations or with those of an affiliate.
- B. If Contractor enters into any financial transactions with a related party entity for the provision of labor, equipment, supplies, services, capital, etc., related to the furnishing of service under this Agreement, that relationship shall be disclosed to City and in the financial reports submitted to City. In such event, City's rights to inspect records and obtain financial data shall extend to such related party entity or entities.

14.10 Transition to Next Contractor

- A. At expiration or termination of this Agreement, Contractor shall cooperate fully with City and any successor franchisee to assure a smooth transition of discarded materials handling services. Contractor's cooperation shall include providing both City and the successor franchisee with route lists, billing information, lists of gate or other access codes and information needed for entry to service areas, container placement areas by address, levels of service including any special needs or services required by each location, and other operating records needed to service all premises covered by this Agreement. In recognition of the impracticality of customers storing two sets of containers, Contractor shall remove its containers in coordination with the distribution of containers by the successor franchisee. Contractor shall cooperate with City and the successor franchisee on the timing of container removal; if the parties cannot agree on a phase-out schedule and Contractor does not remove containers in a timely manner that avoids customers having to

store two sets of containers, City, the successor franchisee, or another entity may remove Contractor's containers and seek cost reimbursement from Contractor through its performance bond, letter of credit, or other means. The failure to cooperate with City following termination shall be conclusively presumed to be grounds for specific performance of this covenant and/or other equitable relief necessary to enforce this covenant.

- B. Contractor shall, to the maximum extent feasible, provide the successor franchisee with all keys, security codes, and remote controls used to access garages and bin enclosures. Contractor shall be responsible for coordinating transfer immediately after Contractor's final pick-ups, so as not to disrupt service. Contractor shall provide City with detailed route sheets containing service names and addresses, billing names and addresses, monthly rate, and service levels (quantity, material type, and size of containers and pick-up days) at least 90 days prior to the transition date and provide an updated list two weeks before the transition and a final list of changes the day before the transition. Contractor shall provide means of access to the successor franchisee at least one full working day (excluding Saturday, Sunday, and holidays as defined in Exhibit A) prior to the first day of collection by the successor franchisee and always within sufficient time so as not to impede in any way the successor franchisee from easily servicing all containers.
- C. Contractor shall provide documentation of any customer declining request to provide keys, security codes, and/or remote controls used to access garages and container enclosures.

14.11 Contractor's Investigation

Contractor has made an independent investigation (satisfactory to it) of the conditions and circumstances surrounding the Agreement and the work to be performed by it.

14.12 Condemnation

City fully reserves the rights to acquire Contractor's property utilized in the performance of this Agreement by purchase or through the exercise of the right of eminent domain. This provision is additive and not intended to alter the rights of the parties set forth in Article 11.

14.13 Notice Procedures

Notices, invoices, or other documents related to this Agreement shall be delivered as provided in this Section and shall be deemed received on: (a) the day of delivery, if delivered by hand during the receiving party's regular business hours or by e-mail before or during the receiving party's regular business hours; (b) the business day after delivery, if delivered by e-mail after the receiving party's regular business hours; or, (c) on the second business day following deposit in the United States mail, postage prepaid, to the addresses listed below, or to such other addresses as the parties may, from time to time, designate in writing. Any notice delivered by e-mail that concerns breach or termination of this Agreement shall concurrently be sent by deposit in the United States mail, postage prepaid, but such notice shall be deemed received on the day of e-mail delivery.

If to City:

City of Brea
Attn: City Manager
1 Civic Center Circle
Brea, California 92821

kristing@ci.brea.ca.us

Copy to:

Richards, Watson & Gershon
1 Civic Center Circle
Post Office Box 1059
Brea, California 92822-1059
Attention: City Attorney
tboga@rwglaw.com

If to Contractor:

General Manager
Republic Services
1131 N. Blue Gum Street
Anaheim, California 92806
E-mail to be sent to the active General Manager at the time of such notice.

Copy to:

Republic Services, Inc.
Attn: Legal Department
18500 N. Allied Way
Phoenix, Arizona 85054

14.14 Compliance with City Code

Contractor shall comply with those applicable provisions of the City Code, and with any and all amendments to such applicable provisions enacted after the Effective Date, that further constitute a change in applicable law within the meaning of this Agreement.

14.15 Compliance with Immigration Laws

Contractor shall be knowledgeable of and comply with applicable laws. Contractor warrants and represents that all of its employees, including any and all prospective employees hired to perform services under this Agreement and the employees of any subcontractor retained by Contractor to perform a portion of the services under this Agreement, are and will be authorized to perform the services contemplated by this Agreement in full compliance with all applicable laws including the Immigration Nationality Act of 1952 (commencing with Section 1101 of Title 8 of the United States Code) and the Immigration Nationality and the Immigration Reform and Control Act of 1986 (commencing with Section 1324a of Title 8 of the United States Code). Contractor shall verify the legal status of all of its employees and provide confirmation of such verification whenever requested by City. If Contractor discovers that any employee it has retained is not in compliance with immigration laws, Contractor shall not allow such employee to provide services under this Agreement.

14.16 Guarantee of Contractor's Performance

Pursuant to a guarantee in substantially the form attached as Exhibit G, Republic Services, Inc., a Delaware corporation that is the sole member of Contractor, has agreed to guarantee Contractor's performance of this Agreement. The guarantee shall be provided within 10 calendar days of the Effective Date.

14.17 Incorporation of Mandatory Language

Each and every provision required by law to be inserted in this Agreement shall be deemed to be inserted and this Agreement shall be read and enforced as though such provision were included. If through mistake or otherwise any such provision is not inserted, or is not correctly inserted, then upon request of either party this Agreement shall promptly be amended to make such insertion or correction.

14.18 Interpretation

This Agreement, including the Exhibits attached hereto, shall be interpreted and construed reasonably and neither for nor against either party, regardless of the degree to which either party participated in its drafting.

14.19 Severability

If any provision of this Agreement is for any reason deemed to be invalid and unenforceable, the invalidity or unenforceability of such provision shall not affect any of the remaining provisions of this Agreement.

14.20 Attorney's Fees

If either party is required to initiate or defend or is made a party to any action or proceeding in any way connected with this Agreement, the prevailing party in such action or proceeding, in addition to any other relief that may be granted, whether legal or equitable, shall be entitled to reasonable attorney's fees. Attorney's fees shall include attorney's fees on any appeal, and, in addition, a party entitled to attorney's fees shall be entitled to all other reasonable costs for investigating such action, taking depositions and discovery and all other necessary costs the court allows that are incurred in such litigation. All such fees shall be deemed to have accrued on commencement of such action and shall be enforceable whether or not such action is prosecuted to judgment.

14.21 Non-Discrimination

- A. Contractor shall not discriminate against any employee or applicant for employment because of age, race, religion, creed, color, sex, marital status, sexual orientation, political ideology, ancestry, national origin, or the presence of any mental or physical handicap, unless based upon a bona fide occupational qualification. Contractor shall take affirmative action to ensure that applicants are employed and that employees are treated during employment without regard to their creed, color, sex, marital status, sexual orientation, political ideology, ancestry, national origin, or the presence of any mental or physical handicap. Such action shall include to the following: employment upgrading; demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and, selection for training.
- B. Contractor understands and agrees that if it violates this nondiscrimination provision, this Agreement may be terminated by City, as provided for in Section 12, and further that Contractor

shall be barred from performing any services for City now or in the future, unless a showing is made satisfactorily to City that discriminatory practices have been terminated and that a recurrence of such action is unlikely.

14.22 Integration

This Agreement is the entire agreement between the parties with respect to the subject matter hereof and supersedes all prior and contemporaneous oral and written agreements and discussions. This Agreement may be amended only by an agreement in writing, signed by each of the parties hereto.

14.23 Counterparts

This Agreement may be executed in counterparts, each of which shall be considered an original.

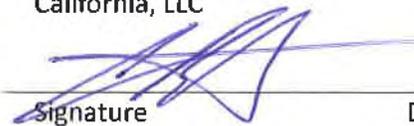
IN WITNESS WHEREOF, this Agreement is entered by the Parties hereto in the County of Orange, California on the day and year first above written.

City of Brea,
A Municipal Corporation

Republic Waste Services of Southern
California, LLC


Blair Stewart
Mayor

3/20/25
Date


Signature

3/12/2025
Date

Peter Basada
Print Name of Signatory

General Manager
Title of Signatory

Signature

Date

Print Name of Signatory

Title of Signatory

APPROVED AS TO FORM:


Terence Boga
City Attorney

3-20-25
Date

08830181
City Business License #

ATTEST:


Lillian Harris-Neal
City Clerk



3/27/2025
Date

CERTIFICATE OF SECRETARY

**RELATING TO THE SECOND AMENDED AND RESTATED
FRANCHISE AGREEMENT WITH
THE CITY OF BREA
IN THE STATE OF CALIFORNIA**

The undersigned, Assistant Secretary of **REPUBLIC WASTE SERVICES OF SOUTHERN CALIFORNIA, LLC**, a Delaware limited liability company (the “Company”), hereby certifies that the following is a true and correct copy of the resolution which was duly adopted by **REPUBLIC SERVICES, INC.**, a Delaware corporation, the sole member of the Company (the “Member”) by written consent of the Member on August 23, 2021, that such resolution has not been rescinded, amended or modified in any respect, and is in full force and effect on the date hereof:

RESOLVED, that (i) any individual at the time holding the position of General Manager or Area Director, Finance; and in connection with environmental solutions transactions only, General Manager; Division President; or Division Vice President Finance be, and each of them hereby is, appointed as an Authorized Agent, to act in the name and on behalf of the Company and to include the execution of related documents, in connection with the day-to-day business activities of the Company, and further, that (ii) in addition to any one of the foregoing positions, any individual at the time holding the position of Area Director, Business Development; Area Director, Operations; Market Vice President; Vice President, Environmental Services be, and each of them hereby is, appointed as an Authorized Agent to execute any bid and proposal, and if awarded, any related contract for services to be performed by the Company and any bond required by such bid, proposal or contract, all in accordance with the existing Levels of Authority and other relevant policies and procedures.

I further certify that **PETER BESADA** holds the title of General Manager and in such capacity has full authority to act in the name and on behalf of the Company as set forth in the foregoing resolution.

WITNESS MY HAND, this 10th day of March, 2025.

Adrienne Wilhoit

Adrienne W. Wilhoit
Assistant Secretary

CALIFORNIA ACKNOWLEDGMENT

CIVIL CODE § 1189

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California }
County of Orange

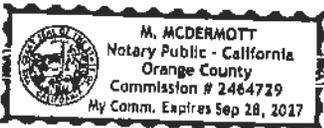
On March 12, 2025 before me, M. McDERMOTT, Notary Public
Date Here Insert Name and Title of the Officer

personally appeared Peter Besada
Name(s) of Signer(s)

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.



Place Notary Seal and/or Stamp Above

Signature [Handwritten Signature]
Signature of Notary Public

OPTIONAL

Completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

Description of Attached Document

Title or Type of Document: _____

Document Date: _____ Number of Pages: _____

Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____

- Corporate Officer – Title(s): _____
- Partner – Limited General
- Individual Attorney in Fact
- Trustee Guardian or Conservator
- Other: _____

Signer is Representing: _____

Signer's Name: _____

- Corporate Officer – Title(s): _____
- Partner – Limited General
- Individual Attorney in Fact
- Trustee Guardian or Conservator
- Other: _____

Signer is Representing: _____

**EXHIBIT A:
DEFINITIONS**

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EXHIBIT A DEFINITIONS

For purposes of this Agreement, unless a different meaning is clearly required, the following words and phrases shall have the following meanings respectively ascribed to them by this Exhibit (which words may not be capitalized but still have the meanings set forth below). In the event of a material discrepancy between a definition in this Exhibit and a definition specified in an applicable state statute or regulation, the definition in the state statute or regulation shall control.

"AB 341" means Assembly Bill 341 (2011).

"AB 1826" means Assembly Bill 1826 (2014).

"AB 2176" means Assembly Bill 2176 (2004).

"Abandoned Waste" means recyclable materials, organic materials, solid waste, C&D, excluded waste, bulky goods, or other materials that have been abandoned, littered, or illegally dumped in the public right-of-way or on public property.

"Advanced Clean Fleets Regulation" means 13 CCR Sections 2013, 2013.1, 2013.2, 2013.3, 2013.4, 2014, 2014.1, 2014.2, 2014.3, 2015, 2015.1, 2015.2, 2015.3, 2015.4, 2015.5, 2015.6, and 2016.

"Agreement" means this Second Amended and Restated Franchise Agreement.

"Approved C&D Facility" means a C&D facility identified in Exhibit L.

"Approved Facility" means (as appropriate for the context) any one of or any combination of: approved recyclable materials processing facility; approved organic materials processing facility; approved transfer facility; approved C&D facility; and, approved reusable materials processing facility.

"Approved Organic Materials Processing Facility" means an organic materials processing facility identified in Exhibit L.

"Approved Processing Facility" means (as appropriate for the context) any one of or any combination of: approved recyclable materials processing facility; approved organic materials processing facility; approved C&D facility; and, approved reusable materials processing facility.

"Approved Recyclable Materials Processing Facility" means a recyclable materials processing facility identified in Exhibit L.

"Approved Reusable Materials Processing Facility" means a reusable materials processing facility identified in Exhibit L.

"Approved Transfer Facility" means a transfer facility identified in Exhibit L.

"Bin" means a container with capacity of approximately one to eight cubic yards, with a hinged lid, and with wheels (where appropriate), that is serviced by a front end-loading collection vehicle, including bins with compactors attached to increase the capacity of the bin.

EXHIBIT A DEFINITIONS

"Blue Container" means a container where either: (a) the lid of the container is blue in color, or (b) the body of the container is blue in color and the lid is either blue, gray, or black in color. Hardware such as hinges and wheels on a blue container may be any color. Blue containers shall be used for the purpose of storage and collection of source separated recyclable materials, which includes non-putrescible and non-hazardous recyclable wastes such as cans, metals, plastics, and glass, or as otherwise defined in 14 CCR Section 18982(a)(43).

"Brown Container" means a container for the purpose of storage and collection of source separated food waste and has the same meaning as in 14 CCR Section 18982.2(a).

"Bulky Goods" means discarded appliances (including non-industrial refrigerators that can be handled by two people), furniture, tires, rolled and secured rugs and carpets less than six feet long, mattresses, e-waste, bundled and tied yard trimmings and/or wood waste exceeding 18 inches in diameter or four feet in length, and similar large items that can be handled by two people, and require special collection due to their size or nature but can be collected without the assistance of special loading equipment (such as forklifts or cranes) and without violating vehicle load limits. Bulky goods must have been generated at the service address where they are collected. Bulky goods do not include abandoned automobiles, large auto parts, trees, construction and demolition debris, or items herein defined as excluded waste.

"Business Days" mean days during which City offices are open to do business with the public.

"CalPERS" means California Public Employee Retirement System.

"CalRecycle" means California Department of Resources Recycling and Recovery.

"CARB" means California Air Resources Board.

"Cardboard" means corrugated fiberboard consisting of a fluted corrugated sheet and one or two flat linerboards, as is often used in the manufacture of shipping containers and corrugated boxes. Cardboard is a subset of recyclable materials.

"Cart" means a plastic container with a hinged lid and wheels that is serviced by an automated or semi-automated collection vehicle. A cart has capacity of 20, 35, 64 or 96 gallons (or similar volumes).

"CCR" means California Code of Regulations.

"CERCLA" means Comprehensive Environmental Response, Compensation, and Liability Act (42 U.S.C. Section 9600 et seq.).

"Change in Law" means any of the following events or conditions that occurs after the Effective Date and has a material and adverse effect on the performance of this Agreement except for payment obligations:

- A. The enactment, adoption, promulgation, issuance, modification, or change in administrative or judicial interpretation of any applicable law.

EXHIBIT A DEFINITIONS

- B. The order or judgment of any public agency, to the extent such order or judgment is not the result of willful or negligent action, error or omission, or lack of reasonable diligence of the party asserting the occurrence of a change in law.

"City" means the City of Brea, a California municipal corporation.

"City Code" means the Brea City Code.

"City Council" means the Brea City Council.

"City Fees" means all fees payable to City.

"City Manager" means the Brea City Manager or such person's designee.

"Collect" or "Collection" means the act of taking possession of recyclable materials, organic materials, solid waste, bulky goods, and other material at the place of generation.

"Commercial Business," "Commercial Customer," "Commercial Subscriber," or "Commercial" shall mean a firm, partnership, proprietorship, joint-stock company, corporation, or association, whether for-profit or nonprofit, strip mall, industrial facility, or a multi-family dwelling. A multi-family dwelling that consists of fewer than five units is not a commercial business.

"Commercial Edible Food Generator" includes tier one commercial edible food generators and tier two commercial edible food generators, or as otherwise defined in 14 CCR Section 18982(a)(7). For the purposes of this definition, food recovery organizations and food recovery services are not commercial edible food generators.

"Commercial Premises" includes premises upon which business activity is conducted including retail sales, services, wholesale operations, manufacturing and industrial operations, and multi-family residential facilities, but excluding residential premises upon which business activities are conducted when such activities are permitted under applicable zoning regulations and are not the primary use of the property. Premises upon which multi-family facilities, hotels, and motels are operated shall be deemed to be commercial premises.

"Community Composting" means any activity that composts green material, agricultural material, food material, and vegetative food material, alone or in combination, and the total amount of feedstock and compost on-site at any one time does not exceed 100 cubic yards and 750 square feet.

"Compactor" means a mechanical apparatus that compresses materials together with the container that holds the compressed materials or the container that holds the compressed materials if it is detached from the mechanical compaction apparatus. Compactors include two to eight cubic yard bin compactors serviced by front-end loader collection vehicles and 10 to 40 cubic yard roll-off box compactors serviced by roll-off collection vehicles.

"Complaint" shall mean each written or orally communicated statement made to City or Contractor alleging: (1) non-performance or deficiencies in Contractor's performance of this Agreement; (2) a violation by Contractor of this Agreement; or, (3) a non-compliance with SB 1383.

EXHIBIT A DEFINITIONS

“Compostable Plastics” or “Compostable Plastic” means plastic materials that meet the ASTM D6400 standard for compostability.

“Composting” or “Compost” means a controlled biological decomposition of organic materials yielding a safe and nuisance free compost product.

“Construction and Demolition Debris (C&D)” includes discarded building materials, packaging, debris, and rubble resulting from construction, alteration, remodeling, repair, or demolition operations on any pavements, excavation projects, houses, commercial buildings, or other structures, excluding excluded waste. Construction and demolition debris includes rocks, soils, tree remains, and other yard trimmings that result from land clearing or land development operations in preparation for construction.

“Consumer Price Index” or “CPI” means the Consumer Price Index for all Urban Consumers (CPI-U) CUURS49ASA0, Los Angeles-Long Beach-Anaheim, All Items.

“Containers” mean bins, carts, compactors, and roll-off boxes.

“Contractor” means Republic Waste Services of Southern California, LLC, a Delaware limited liability company (formerly known as Taormina Industries, LLC), which is a wholly owned subsidiary of Republic Services, Inc. and does business as Brea Disposal.

“County” means the County of Orange, a political subdivision of the State of California.

“County Agreement” means the Waste Disposal Agreement set forth in Exhibit K.

“CPRA” means California Public Records Act (Government Code Section 7920.000 et seq.).

“Curb” or “Curbside” means the cornered edging between the street and sidewalk. Curb or curbside also means and describes the location of a collection container for pick-up, where such container is placed on the street or alley against the face of the curb, or where no curb exists, the container is placed not more than five feet from the outside edge of the street or alley nearest the property’s entrance.

“Customer” means the person whom Contractor or City submits its billing invoice to and collects payment from for collection services provided to a premises. The customer may be either the occupant or owner of the premises.

“Customer Type” means the customer’s sector category. Customer type includes single-family, multi-family, commercial, roll-off box, and City.

“Designated Disposal Facility” means a landfill disposal facility owned and operated by the County.

“Designated Waste” means either of the following:

- A. Hazardous waste that has been granted a variance from hazardous waste management requirements pursuant to Health and Safety Code Section 25143.
- B. Nonhazardous waste that consists of, or contains, pollutants that, under ambient environmental conditions at a waste management unit, could be released in concentrations exceeding applicable

EXHIBIT A DEFINITIONS

water quality objectives or that could reasonably be expected to affect beneficial uses of the waters of the state as contained in the appropriate state water quality control plan.

"Director" means the Brea Director of Maintenance Services or such person's designee.

"Discarded Materials" means recyclable materials, organic materials, and solid waste placed by a generator in a receptacle and/or at a location for the purposes of collection by Contractor, excluding excluded waste.

"Disposal" or "Dispose" means the final disposition of solid waste or processing residue at a disposal facility.

"Disposal Facility" means a landfill or other facility for ultimate disposal of solid waste.

"Divert" or "Diversion" means to prevent discarded materials from disposal at landfill or transformation facilities (including facilities using incineration, pyrolysis, distillation, gasification, or biological conversion methods) through source reduction, reuse, recycling, composting, anaerobic digestion, or other method of processing. Diversion is a broad concept that is to be inclusive of material handling and processing changes that may occur during the term of this Agreement including changes in standard industry practice or implementation of innovative (but not necessarily fully proven) techniques or technology that reduce disposal risk, decrease costs, and/or are for other reasons deemed desirable by City.

"DMV" means California Department of Motor Vehicles.

"Dwelling Unit" means any individual living unit in a single-family dwelling or multi-family dwelling structure or building, a mobile home, or a motor home located on a permanent site intended for, or capable of being utilized for, residential living other than a hotel or motel.

"Edible Food" means food intended for human consumption. Edible food is not solid waste if it is recovered and not discarded. Nothing in this Agreement requires or authorizes the recovery of edible food that does not meet the food safety requirements of the California Retail Food Code (Health & Safety Code § 11700 et seq.).

"E-Waste" means discarded electronic equipment including televisions, computer monitors, CPUs, laptop computers, computer peripherals (including external hard drives, keyboards, scanners, and mice), printers, copiers, facsimile machines, radios, stereos, stereo speakers, VCRs, DVDs, camcorders, microwaves, telephones, cellular telephones, and other electronic devices. Some e-waste or components thereof may be hazardous waste or include hazardous substances and thus require special handling, processing, or disposal.

"Excluded Waste" means hazardous substance, hazardous waste, infectious waste, designated waste, volatile, corrosive, biomedical, infectious, biohazardous, and toxic substances or material; waste that Contractor reasonably believes would, as a result of or upon disposal, be a violation of applicable law, including land use restrictions or conditions; waste that cannot be disposed of in Class III landfills; and, waste that in Contractor's reasonable opinion would present a significant risk to human health or the environment, cause a nuisance, or otherwise expose Contractor or City to potential liability. Excluded waste does not include de minimis volumes or concentrations of waste of a type and amount normally

EXHIBIT A DEFINITIONS

found in residential solid waste after implementation of programs for the safe collection, recycling, treatment, and disposal of batteries and paint in compliance with Public Resources Code Sections 41500 and 41802. Excluded Waste also does not include used motor oil and filters or household batteries when properly placed for collection by Contractor.

“Flow Control” means City’s right to direct discarded materials to a facility of its choosing.

“Food Recovery” means actions to collect and distribute food for human consumption that otherwise would be disposed.

“Food Recovery Organization” means an entity that primarily engages in the collection or receipt of edible food from commercial edible food generators and distributes that edible food to the public for food recovery either directly or through other entities. Food recovery organization includes:

- A. A food bank as defined in Health and Safety Code Section 113783.
- B. A nonprofit charitable organization as defined in Health and Safety Code Section 113841.
- C. A nonprofit charitable temporary food facility as defined in Health and Safety Code Section 113842.

“Food Recovery Service” means a person or entity that collects and transports edible food from a commercial edible food generator to a food recovery organization or other entities for food recovery.

“Food Scraps” means those discarded materials that will decompose and/or putrefy including: (i) all kitchen and table food waste; (ii) animal or vegetable waste that is generated during or results from the storage, preparation, cooking, or handling of food stuffs; (iii) fruit waste, grain waste, dairy waste, meat, and fish waste; and, (iv) vegetable trimmings, houseplant trimmings, and other compostable organic waste common to the occupancy of residential dwellings. Food scraps are a subset of food waste.

“Food-Soiled Paper” means compostable paper material that has come in contact with food scraps or liquid. Food-soiled paper includes compostable paper plates, paper coffee cups, napkins, pizza boxes, and milk cartons.

“Food Waste” means source separated food scraps, food-soiled paper, and compostable plastics. Food waste is a subset of organic materials.

“Generator” means any person whose act or process produces discarded materials, or whose act first causes discarded materials to become subject to regulation.

“Gray Container” means a container where either: (a) the lid of the container is gray or black in color; or, (b) the body of the container is entirely gray or black in color and the lid is gray or black in color. Hardware such as hinges and wheels on a gray container may be any color. Gray containers shall be used for the purpose of storage and collection of gray container waste.

“Gray Container Waste” means solid waste that is collected in a gray container that is part of a three- or four-container organic waste collection service that prohibits the placement of organic waste in the gray container.

EXHIBIT A DEFINITIONS

"Green Container" means a container where either: (a) the lid of the container is green in color; or, (b) the body of the container is green in color and the lid is green, gray, or black in color. Hardware such as hinges and wheels on a green container may be any color. Green containers shall be used for the purpose of storage and collection of source separated green container organic waste, which includes green waste and organic waste.

"Gross Receipts" shall mean and include all monies, fees, charges, consideration, and revenue received by Contractor in connection with the performance of this Agreement except as noted below. Except as provided in the following sentences, in calculating the total amount of gross receipts, no deductions or subtractions of any kind shall be made by Contractor in determining gross receipts pursuant to this Agreement such as: fines, penalties, claims, settlements, and judgments; or, any other cost of doing business. Gross receipts do not include the City residential maintenance fee or revenue received from the sale of recyclables

"GTCI" means the Consumer Price Index for Garbage and Trash Collection in U.S. city average, all urban consumers, not seasonally adjusted (CUUR0000SEHG02).

"Hazardous Substance" means any of the following: (a) any substances defined, regulated, or listed (directly or by reference) as "hazardous substances," "hazardous materials," hazardous wastes," "toxic waste," "pollutant," or "toxic substances," or similarly identified as hazardous to human health or the environment, in or pursuant to: (i) CERCLA; (ii) the Hazardous Materials Transportation Act (49 USC § 1802 et seq.); (iii) the Resource Conservation and Recovery Act (42 USC § 6901 et seq.); (iv) the Clean Water Act (33 USC § 1251 et seq.); (v) Health and Safety Code Sections 25115-25117, 25249.8, 25281, and 25316; (vi) the Clean Air Act (42 USC § 7901 et seq.); and, (vii) Water Code Section 13050; and, (b) any other hazardous or toxic substance, material, chemical, waste, or pollutant identified as hazardous or toxic or regulated under any other applicable law including friable asbestos, PCBs, petroleum, natural gas, and synthetic fuel products, and by-products.

"Hazardous Waste" means all substances defined as hazardous waste, acutely hazardous waste, or extremely hazardous waste by Health and Safety Code Sections 25110.02, 25115, and 25117 or identified and listed as hazardous waste by the U.S. Environmental Protection Agency. Hazardous waste includes household hazardous waste and medical waste. Where there is a conflict in the definitions employed by two or more agencies having jurisdiction over hazardous or solid waste, the term "hazardous waste" shall be construed to have the broader, more encompassing definition.

"Holiday" means any of the following: New Year's Day; Memorial Day; Independence Day; Labor Day; Thanksgiving Day; and, Christmas Day.

"Household Hazardous Waste" or "HHW" means hazardous waste generated at residential premises. HHW includes paint, stain, varnish, thinner, adhesives, auto products (such as old fuel, used motor oil and filter), batteries, household batteries, fluorescent bulbs, tubes, cleaners and sprays, pesticides, fertilizers and other garden products, needles, syringes, and lancets.

"Infectious Waste" means biomedical waste generated at hospitals, public or private medical clinics, dental offices, research laboratories, pharmaceutical industries, blood banks, mortuaries, veterinary facilities, and other similar establishments that are identified in Health and Safety Code Section 25117.5.

EXHIBIT A DEFINITIONS

“Mulch” means a layer of material that is applied on top of soil and that satisfies all of the following criteria:

- A. Meets or exceeds the physical contamination, maximum metal concentration, and pathogen density standards for land applications specified in 14 CCR Section 17852(a)(24.5)(A)(1) through (3).
- B. Was produced at one or more of the following types of facilities:
 - 1. A compostable material handling operation or facility as defined in 14 CCR Section 17852(a)(12), that is permitted or authorized under Division 7 of Title 14 of the CCR, other than a chipping and grinding operation or facility as defined in 14 CCR Section 17852(a)(10). This criteria disallows mulch produced from chipping and grinding operations to count toward fulfillment of City’s annual organic waste product procurement target.
 - 2. A transfer/processing facility or transfer/processing operation as defined in 14 CCR Section 17402(a)(30) and (31), respectively, that is permitted or authorized under 14 CCR, Division 7, Chapter 12.
 - 3. A solid waste landfill as defined in Public Resources Code Section 40195.1 that is permitted under 27 CCR, Division 2.

“Multi-Family,” “Multi-Family Dwelling,” or “MFD” means any residential premises, other than a single-family premises, with five or more dwelling units used for residential purposes (regardless of whether residence therein is temporary or permanent), including such premises when combined in the same building with commercial establishments, that receive centralized, shared, collection service for all units on the premises that are billed to one customer at one address. Customers residing in townhouses, mobile homes, condominiums, or other structures with five or more dwelling units who receive curbside cart service for refuse, recycling, and organic materials shall not be considered multi-family.

“OAL” means California Office of Administrative Law.

“Occupant” means a person who lawfully occupies a premises.

“Organic Material” or “Organics” means yard trimmings and food waste. No discarded material shall be considered to be organic material, however, unless it is separated from recyclable material and solid waste. Organic material is a subset of organic waste.

“Organic Waste” means wastes containing material originated from living organisms and their metabolic waste products including food, yard trimmings, organic textiles and carpets, lumber, wood, paper products, printing and writing paper, manure, biosolids, digestate, and sludges, or as otherwise defined in 14 CCR Section 18982(a)(46).

“Owner” means the person(s) holding legal title to real property. Owner includes the person(s) listed on the latest equalized assessment roll of the County Assessor.

“Party” or “Parties” means the City and Contractor, individually or together.

“Person” means an individual, firm, association, organization, partnership, consortium, corporation, trust, joint venture, commercial entity, public agency, or other legal entity.

EXHIBIT A DEFINITIONS

“Premises” means any land or building where recyclable material, organic material, or solid waste is generated or accumulated.

“Processing” or “Process” means to prepare, treat, or convert through some special method.

“Processing Facility” means any plant or site used for the purpose of sorting, cleansing, treating, or reconstituting recyclable material or reusable material for the purpose of making such material available for recycling or reuse or the facility for the processing and/or composting of organic material.

“Prohibited Container Contaminants” means the following: (i) discarded materials placed in the blue container that are not identified as acceptable recyclable material for City’s collection program; (ii) discarded materials placed in the green container or brown container that are not identified as acceptable organic materials for City’s collection program; (iii) discarded materials placed in the gray container that are acceptable recyclable material and/or organic materials to be placed in the blue container, green container, or brown containers or otherwise managed under City’s collection program; and, (iv) special waste and excluded waste placed in any container.

“Proprietary Information” or “Proprietary” or “Confidential” means that information provided by Contractor to City that is exempt from disclosure under the CPRA as a trade secret. Proprietary information does not include Contractor’s customer lists or information required for reporting purposes to be submitted to City in any report specified in this Agreement.

“Public Street” means all City-owned and maintained paved areas between the normal curb line of a roadway, including public parking lots, roadway dividers, and medians.

“Putrescible Waste” means material capable of being decomposed by micro-organisms with sufficient rapidity as to cause nuisances because of odors, gasses, or other offensive conditions, and include materials such as food wastes and offal.

“Rate” means the maximum amount, expressed as a dollar unit, approved by City that Contractor may bill a customer for providing services under this Agreement. A rate has been established for each individual service level and the initial rates for Rate Period Zero and Rate Period One are set forth in Exhibit D.

“Rate Period” means a 12-month period commencing July 1 and concluding the following June 30.

“Recyclable Material” or “Recyclables” means those discarded materials that the generators set out in recyclables containers for collection for the purpose of recycling by Contractor and that exclude excluded waste. Discarded materials shall not be considered recyclable material unless such material is separated from organic material and solid waste. Recyclable material includes: newspaper (including inserts, coupons, and store advertisements); mixed paper (including office paper, computer paper, magazines, junk mail, catalogs, brown paper bags, brown paper, paperboard, paper egg cartons, telephone books, grocery bags, colored paper, construction paper, envelopes, legal pad backings, shoe boxes, cereal, and other similar food boxes yet excluding paper tissues, paper towels, paper with plastic coating, paper contaminated with food, wax paper, foil-lined paper and cartons, and Tyvex non-tearing paper envelopes); chipboard; corrugated cardboard; glass containers of any color (including brown, clear, and green glass bottles and jars); aluminum (including beverage containers and small pieces of scrap metal); steel, tin, or

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bi-metal cans; mixed plastics such as plastic containers (numbers one to seven), plastic six and EPS; bottles including containers made of HDPE, LDPE, or PET; and, those materials added by Contractor from time to time.

“Recycle” or “Recycling” means the process of sorting, cleansing, treating, and reconstituting at a recyclable materials processing facility, materials that would otherwise be disposed of at a landfill for the purpose of returning such materials to the economy in the form of raw materials for new, reused, or reconstituted products. Recycling includes processes deemed to constitute a reduction of landfill disposal pursuant to 14 CCR, Division 7, Chapter 12, Article 2. Recycling does not include gasification or transformation as defined in Public Resources Code Section 40201.

“Related-Party Entity” means all businesses (including corporations, limited and general partnerships, and sole proprietorships) that are related to Contractor by virtue of ownership interests or common management. Related-party entities shall be limited to those businesses that are directly or indirectly involved in the Contractor’s performance of this Agreement. Related-party entity includes a business in which Contractor has an ownership interest, a business that has an ownership interest in Contractor, and a business that is also owned, controlled, or managed by any person that has an ownership interest in Contractor. For purposes of determining whether an indirect ownership interest exists, the constructive ownership provisions of 26 U.S.C. Section 318(a) shall apply; provided, however, (i) “ten percent” shall be substituted for “fifty percent” in Section 318(a)(2)(C) and in Section 318(a)(3)(C); and, (ii) Section 318(a)(5)(C) shall be disregarded. For purposes of determining ownership under this Paragraph and constructive or indirect ownership under Section 318(a), ownership interest of less than 10% shall be disregarded, and percentage interests shall be determined on the basis of the percentage of voting interest or value that the ownership interest represents, whichever is greater.

“Renewable Natural Gas” or “RNG” means gas derived from organic waste that has been diverted from a landfill and processed at an in-vessel digestion facility that is permitted or otherwise authorized by 14 CCR to recover organic waste, or as otherwise defined in 14 CCR Section 18982(a)(62).

“Residential” means of, from, or pertaining to a single-family premises or multi-family premises including single-family homes, apartments, condominiums, townhouse complexes, mobile home parks, and cooperative apartments.

“Residue” means those materials that, after processing, are disposed rather than recycled due to either the lack of markets for materials or the inability of the processing facility to capture and recover the materials.

“Reusable Material” means items that are capable of being used again after minimal processing. Reusable material may be collected, source separated, or recovered through a processing facility.

“Roll-Off Box” means an open-top container with a capacity of 10 to 40 cubic yards that is serviced by a roll-off collection vehicle.

“SB 54” means Senate Bill 54 (2022).

“SB 1383” means Senate Bill 1383 (2016).

EXHIBIT A DEFINITIONS

“Self-Hauler” or “Self-Haul” means a person who hauls discarded materials, recovered material, or any other material that such person generates at its own premises to another person. Self-Hauler also includes a person who back-hauls waste from premises it owns and operates.

“Service Level” refers to the size of a customer’s container(s) and the frequency of collection service.

“Sharps” means hypodermic needles, pen needles, intravenous needles, lancets, and other devices that are used to penetrate the skin for the delivery of medications.

“Single-Family” or “SFD” means any detached or attached house or residence designed or used for occupancy by one family, provided that collection service feasibly can be provided to such premises as an independent unit. Single-family includes mobile homes, townhouses, and each independent unit of duplex, tri-plex, or four-plex residential structures, regardless of whether each unit is separately billed for its specific service level. Customers residing in townhouses, mobile homes, condominiums, or other structures with five or more dwelling units who receive curbside cart service for refuse, recycling, and organic materials shall not be considered single-family.

“Solid Waste” means solid waste as defined in Public Resources Code Section 40191. Solid waste does not include excluded waste, C&D, source separated recyclable material, source separated organic material, and radioactive waste. Solid waste may include de minimis volumes or concentrations of waste of a type and amount normally found in residential solid waste after implementation of programs for the safe collection, recycling, treatment, and disposal of household hazardous waste in compliance with Public Resources Code Sections 41500 and 41802. Solid waste includes salvageable materials only when such materials are included for collection in a solid waste container not source separated from solid waste at the site of generation.

“Source Separated” means the segregation, by the generator, of materials designated for separate collection for some form of recycling, composting, recovery, or reuse.

“Special Waste” shall mean solid waste that does not fit the collection criteria and specifications stated in this Agreement.

“Split-Bin” means a bin that is split or divided into two sections in order to segregate two source separated discarded material types in one container.

“State” means the State of California.

“Subcontractor” means a person who has entered into a contract with Contractor for the performance of an act that is necessary for Contractor’s fulfillment of its obligations under this Agreement. Subcontractor does not include vendors providing materials and supplies to Contractor.

“Tier One Commercial Edible Food Generator” means a commercial edible food generator that is one of the following:

- A. Supermarket.
- B. Grocery store with a total facility size equal to or greater than 10,000 square feet.

EXHIBIT A DEFINITIONS

- C. Food service provider.
- D. Food distributor.
- E. Wholesale food vendor.

“Tier Two Commercial Edible Food Generator” means a commercial edible food generator that is one of the following:

- A. Restaurant with 250 or more seats, or a total facility size equal to or greater than 5,000 square feet.
- B. Hotel with an on-site food facility and 200 or more rooms.
- C. Health facility with an on-site food facility and 100 or more beds.
- D. Large venue.
- E. Large event.
- F. A state agency with a cafeteria with 250 or more seats or total cafeteria facility size equal to or greater than 5,000 square feet.
- G. A local education agency with an on-site food facility.

“Ton” or “Tonnage” means a unit of measure for weight equivalent to 2,000 standard pounds where each pound contains 16 ounces.

“Townhouse” means an attached or semi-attached single-family premises within a group of attached or semi-attached single-family premises, regardless of whether the premises is billed individually or through a central account (e.g., homeowner association, property manager), wherein each unit maintains an individual collection service subscription, as determined in writing by the City Manager.

“Transfer” means the act of transferring the materials collected by Contractor in its route vehicles into larger vehicles for transport to other facilities for the purpose of recycling or disposing of such materials.

“Transportation” or “Transport” means the act of conveying collected materials from one location to another.

“Universal Waste” or “U-Waste” means all wastes as defined by Title 22 CCR Sections 66273.1 through 66273.9. Universal waste includes batteries, fluorescent light bulbs, mercury switches, and e-waste.

“Working Days” means days that Contractor is required to provide regularly scheduled collection services under this Agreement.

“Yard Trimmings” means green trimmings, grass, weeds, leaves, prunings, branches, dead plants, brush, tree trimmings, dead trees, small pieces of unpainted and untreated wood, and other types of organic material resulting from normal yard and landscaping maintenance. Yard trimmings does not include excluded waste. Yard trimmings are a subset of organic material. Yard trimmings placed for collection may not exceed six inches in diameter and three feet in length and must fit within the Contractor-provided container.

**EXHIBIT B:
DIRECT SERVICES**

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EXHIBIT B: DIRECT SERVICES

The following Exhibits (B1 through B4) describe the programs that, in aggregate, represent the direct services to be performed under this Agreement by Contractor.

Each of the following Exhibits (B1 through B4) present the programs to be provided to each customer type by Contractor. Within each program description are specific requirements for the:

- Type and size of containers or service level to be offered by Contractor under each program.
- Frequency of service to be offered by Contractor to customers.
- Location of service, including an indication of whether or not additional charges may apply if a customer selects a location that is more costly to serve (e.g., back-yard service).
- Materials that are acceptable or prohibited within the program.
- Provision of additional services to the customer if the standard service levels are inadequate, either on a regular or periodic basis, and an indication of whether or not additional charges may apply.
- Other requirements and considerations of the program.

Contractor shall provide the services for each program described in accordance with the specific program requirements detailed in Exhibits B1 through B4 and Contractor shall promote such programs using the public education and outreach methods described in Exhibit C.

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EXHIBIT B1:
SINGLE-FAMILY RESIDENTIAL SERVICES

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EXHIBIT B1

SINGLE-FAMILY RESIDENTIAL SERVICES

1. Recyclable Materials Collection

Contractor shall collect recyclable materials placed in Contractor-provided containers one time per week from single-family customers and transport all recyclable materials to the approved recyclable materials processing facility for processing.

Containers:	Carts
Container Sizes:	64- and 96-gallons (or comparable sizes approved by City). Standard container size is 96-gallon. 64-gallon service shall be made available for no reduction in charge, upon request by customer.
Service Frequency:	One time per week on the same day as organic materials and solid waste collection services
Service Location:	Curbside or alley
Acceptable Materials:	Recyclable materials
Prohibited Materials:	Solid waste, organic materials, special waste, and excluded waste
Additional Service:	Single-family customers shall receive one recyclable materials cart standard and may request an unlimited number of additional recyclable materials carts at no additional charge.
Other Requirements:	Contractor may refuse to collect a recyclable materials container that contains prohibited container contaminants in the manner and subject to the limits described in Section 5.10 and provided that Contractor leaves a non-collection notice in accordance with Section 6.3.B. Contractor shall keep a record of all non-collection notices and courtesy pick-up notices issued to customers, recording at a minimum the date, customer address, and material type of the container in question.

2. Organic Materials Collection

Contractor shall collect organic materials placed in Contractor-provided carts one time per week from single-family customers and transport all organic materials to the approved organic materials processing facility for processing.

Containers:	Carts
Container Sizes:	32-, 64-, and 96-gallons (or comparable size approved by City). Standard container size is 96-gallon. 64- or 32-gallon service shall be made available for no reduction in charge, upon request by customer.
Service Frequency:	One time per week on the same day as recyclable materials and solid waste collection services
Service Location:	Curbside
Acceptable Materials:	Organic materials (including yard trimmings and food waste)
Prohibited Materials:	Recyclable materials, solid waste, special waste, and excluded waste
Additional Service:	Single-family customers shall receive one organic materials cart standard. Contractor shall provide additional organic materials carts to single-family customers upon request and may charge the appropriate rate approved by City.

EXHIBIT B1

SINGLE-FAMILY RESIDENTIAL SERVICES

Other Requirements: Contractor shall make available, to all single-family customers, kitchen pails for customer purchase at the rate in the approved rate schedule. City shall approve kitchen pail specifications prior to ordering and distribution. Upon City request, Contractor will make available pails that are provided by City at Contractor's facilities located in Anaheim for pick-up by customers. Contractor may request identification to confirm City residency.

If the approved organic materials processing facility accepts compostable plastic bags, single-family customers may place organic materials in compostable plastic bags and then place the bagged organic materials into their organic materials carts for collection. Such bags must be labeled as "compostable" by the manufacturer and certified by BPI. Contractor shall submit the required compostable plastic processing notifications in accordance with Section 5.1.1 and Exhibit F.

Contractor may refuse to collect an organic materials container that contains prohibited container contaminants in the manner and subject to the limits described in Section 5.10 and provided that Contractor leaves a non-collection notice in accordance with Section 6.3.B. Contractor shall keep a record of all non-collection notices and courtesy pick-up notices issued to Customers, recording at a minimum the date, customer address, and material type of the container in question.

3. Solid Waste Collection

Contractor shall collect solid waste placed in Contractor-provided carts one time per week from single-family customers and transport all solid waste to the designated disposal facility for disposal.

- Containers:** Carts
- Container Sizes:** 32-, 64-, and 96-gallons (or comparable sizes approved by City). Standard Container size is 96-gallon. 64- or 32-gallon service shall be made available for no reduction in charge, upon request by customer.
- Service Frequency:** One time per week on the same day as recyclable materials and organic materials collection services
- Service Location:** Curbside
- Acceptable Materials:** Solid waste
- Prohibited Materials:** Recyclable materials, organic materials, special waste, and excluded waste
- Additional Service:** Contractor shall provide additional solid waste carts to single-family customers upon request and may charge the appropriate rate approved by City.
- Other Requirements:** None

4. On-Call Bulky Goods/Reusable Materials Collection

Contractor shall collect bulky goods, reusable materials, and other materials described herein from single-family customers. Contractor shall transport all collected materials to the appropriate approved facility or designated disposal facility for reuse, processing, or disposal.

EXHIBIT B1

SINGLE-FAMILY RESIDENTIAL SERVICES

Containers:	Not applicable
Service Level:	Up to 20 bulky goods/reusable materials
Service Frequency:	Three pick-ups per year per household. A customer is allowed up to three bulky item pick-up requests in a calendar year. Any request after a third pick-up is subject to additional pick-up charges outlined in Exhibit D.
Service Location:	Curbside
Acceptable Materials:	Reusable materials, bulky goods, recyclable materials, yard trimmings, e-waste, and solid waste
Prohibited Materials:	Food scraps, hazardous substances, abandoned automobiles, trees, excluded waste, electronic waste, construction and demolition waste including roofing, lumber, concrete, masonry, stucco, tile, carpet cuts, or any single item (e.g., large auto parts, etc.) that two people cannot safely handle.
Additional Service:	Contractor shall collect additional acceptable materials (as described herein) that exceed the required service level (as requested by customer) and may charge the appropriate rates approved by City for such additional service.
Other Requirements:	Contractor shall provide the service to the customer within a reasonable time but not longer than seven days of the customer's requested service date, as mutually agreed upon by the customer and Contractor. Contractor shall not dispose of materials collected through the on-call bulky goods/reusable materials collection program unless the materials cannot be reused or recycled. Contractor shall process and dispose of bulky goods and reusable materials collected from customers in accordance with the following hierarchy: (1) reuse as is (where energy efficiency is not compromised); (2) disassemble for reuse or recycling; (3) recycle or compost; and if none of the other options are practicable; then, (4) dispose.

5. Holiday Tree Collection

Annually, commencing the day after December 25 and three weeks thereafter, Contractor shall collect holiday trees from single-family customers. Customers are required to place the holiday trees curbside on the customer's regularly scheduled collection day. Holiday trees must be removed from stands; cut into lengths no longer than four feet; and, be free of ornaments, garlands, tinsel, flocking, or other decorations. Contractor shall not be required to collect holiday trees that do not meet such criteria. Contractor shall affix a non-collection notice to any non-collected tree informing the customer of the reason(s) for non-collection. Contractor may charge City-approved rates to return and collect a previously non-collected holiday tree that has been corrected and set out. Contractor shall deliver all collected holiday trees to the approved organic materials processing facility for processing.

Holiday tree collection services shall be provided at no additional cost to City or the customer.

6. Alternative Service Location for Disabled Single-Family Customers

Contractor shall allow for persons that have a disability as defined by the Americans with Disabilities Act (42 U.S.C. §§ 12101-12213 and 27 U.S.C. §§ 225 and 611, and all regulations relating thereto) that are occupants of single-family premises to receive collection services at a location other than curbside at no extra charge to the customer. Contractor shall review all applications (which shall include statements from

EXHIBIT B1

SINGLE-FAMILY RESIDENTIAL SERVICES

physicians) made by customers to determine conformance with this exemption provision and shall grant exemptions, if applicable. Contractor shall make reasonable accommodations with regard to provision of and servicing of containers (e.g., container size and type, placement of containers for collection) at no additional cost to the customer. In the event of a dispute as to whether or not a customer is entitled to this service, City shall make the final determination. Upon customer request, Contractor may make such alternative service locations available to single-family customers that do not have a disability (as defined herein) for an additional, City-approved rate.

7. Sharps Collection Program

Contractor shall assist City in promoting the County's Sharps Collection Program, including advertising the event on Contractor's website.

8. Temporary Bin Service

Contractor shall provide exclusive temporary bin service to customers upon request for collection of solid waste, recyclable materials, and organic materials. Contractor shall deliver a temporary bin to a customer by the following business day, if requested by 12:00 p.m.; otherwise, delivery shall be no later than the second business day. Rates for temporary bin service are listed separately in the approved rate schedule.

9. Curbside Grease Collection Program

If ever required by the applicable sanitation district or other regulatory agency, Contractor shall design a program for the collection of grease, fat, oils, and similar waste generated from household cooking activities (the "Curbside Grease Collection Program") that the City Manager approves. Contractor shall be responsible to ensure the Curbside Grease Collection Program complies with all applicable laws. At such time as a Curbside Grease Collection Program is implemented and in order to ensure that Contractor is fairly compensated for any additional costs incurred in implementing such a program, Contractor and City shall meet and confer in good faith to determine a fair and reasonable adjustment to the maximum rates set forth on Exhibit D in order to compensate Contractor for implementing such a program.

10. Residential Non-Controlled Medication Collection Program

Contractor shall assist City in increasing awareness of medication takeback programs provided by local pharmacies or programs offered by other government entities, including the Brea Police Department's annual medication take-back day. Promotional activities shall include posting on Contractor's website, inclusion in the annual brochures/mailings mailed to each residential premises customer, and press releases to local news outlets.

11. Household Hazardous Contaminant Program

Contractor shall assist City in increasing awareness of the County's drop-off locations for HHW, including drop-off at Contractor's Anaheim (CVT) and Huntington Beach facilities. Promotional activities shall include posting on Contractor's website, inclusion in the annual brochures/mailings mailed to each residential premises customer, billing inserts, social media targeted outreach, and press releases to local news outlets.

EXHIBIT B1

SINGLE-FAMILY RESIDENTIAL SERVICES

12. Solid Waste Extra Collection

Upon customer request and prepayment of the rate included in the rate schedule, Contractor shall return to service and collect all three residential carts (organics materials, recycling, and refuse carts).

EXHIBIT B2:
MULTI-FAMILY RESIDENTIAL SERVICES

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EXHIBIT B2

MULTI-FAMILY RESIDENTIAL SERVICES

1. Recyclable Materials Collection

Contractor shall collect recyclable materials placed in Contractor-provided containers from multi-family customers receiving solid waste bin service in accordance with the approved rate schedule and shall transport all recyclable materials to the approved recyclable materials processing facility for processing. Recyclable materials collection services shall be provided to multi-family customers in accordance with the approved rate schedule.

- Containers:** Container sizes and service frequencies as defined in Exhibit D
- Service Location:** To avoid potential safety concerns, and in accordance with the City Code, the service location will be designated by the customer, subject to Contractor confirmation of the service location for safe collection operations at the multi-family premises.
- Acceptable Materials:** Recyclable materials
- Prohibited Materials:** Organic materials, solid waste, special waste, and excluded waste
- Additional Service:** Special pick-ups requested by a customer, on days other than the regularly scheduled collection day, shall be available at an approved additional charge.
- Other Requirements:** Contractor shall contact each multi-family customer to determine appropriate container sizes and service frequency. Contractor shall deliver recyclable materials containers to each multi-family customer at the same time that Contractor delivers solid waste containers.
- Contractor shall open and close gates, push and/or pull containers, lock and unlock containers, or perform other services as reasonably necessary to access and service containers (additional charge may apply).
- Contractor may refuse to collect a recyclable materials container that contains prohibited container contaminants in the manner and subject to the limits described in Section 5.10 and provided that Contractor leaves a non-collection notice in accordance with Section 6.3.B. Contractor shall keep a record of all non-collection notices and courtesy pick-up notices issued to customers, recording at a minimum the date, customer address, and material type of the container in question.

2. Organic Materials Collection

Contractor shall collect organic materials in Contractor-provided containers not less than one time per week (unless a customer has a City-approved organic materials waiver) from multi-family customers and transport all organic materials to the approved organic materials processing facility for processing. Organic materials collection services shall be provided to multi-family customers receiving solid waste bin service in accordance with the approved rate schedule.

- Containers:** Container sizes and service frequencies as defined in Exhibit D
- Service Location:** To avoid potential safety concerns, and in accordance with the City Code, the service location will be designated by the customer subject to Contractor confirmation of the service location for safe collection operations at the multi-family premises

EXHIBIT B2

MULTI-FAMILY RESIDENTIAL SERVICES

Acceptable Materials: Organic materials (including yard trimmings and food waste)

Prohibited Materials: Recyclable materials, solid waste, special waste, and excluded waste

Additional Service: Special pick-ups requested by a customer, on days other than their regularly scheduled collection day, will be available at an approved additional charge.

Other Requirements: Contractor shall make available for purchase kitchen pails designed to contain food scraps prior to placement in the customer's organic materials container to all multi-family dwelling units at rates in the approved rate schedule. City shall approve kitchen pail specifications prior to ordering and distribution.

Upon City or customer request, Contractor shall contact each multi-family customer to determine appropriate container sizes and service frequency. Contractor shall deliver organic materials containers to each multi-family customer at the same time that Contractor delivers solid waste containers.

Contractor shall open and close gates, push and/or pull containers, lock and unlock containers, or perform other services as reasonably necessary to access and empty containers (additional charge may apply).

Contractor may refuse to collect an organic materials container that contains prohibited container contaminants in the manner and subject to the limits described in Section 5.10 and provided that Contractor leaves a non-collection notice in accordance with Section 6.3.B. Contractor shall keep a record of all non-collection notices and courtesy pick-up notices issued to customers, recording at a minimum the date, customer address, and material type of the container in question.

3. Solid Waste Collection

Contractor shall collect solid waste placed in Contractor-provided containers not less than one time per week from multi-family customers and transport all solid waste to the designated disposal facility for disposal.

Containers: Container sizes and service frequencies as defined in Exhibit D.

Service Location: To avoid potential safety concerns, and in accordance with the City Code, the service location will be designated by the customer subject to Contractor confirmation of the service location for safe collection operations at the multi-family premises.

Acceptable Materials: Solid waste

Prohibited Materials: Recyclable materials, organic materials, special waste, and excluded waste

Additional Service: Special pick-ups requested by a customer, on days other than their regularly scheduled collection day, will be available at an approved additional charge.

Other Requirements: Contractor shall contact each multi-family customer to determine appropriate container sizes and service frequency.

Contractor shall open and close gates, push and/or pull containers, lock and unlock containers, or perform other services as reasonably necessary to access and service containers (additional charge may apply).

EXHIBIT B2

MULTI-FAMILY RESIDENTIAL SERVICES

4. Bulky Good/Reusable Materials Collection

Contractor shall collect bulky goods, reusable materials, and other materials described herein from multi-family customers. Contractor shall transport all collected materials to the appropriate approved facility for reuse, processing, or disposal.

Containers:	Not applicable
Service Level:	Multi-family premises with cart service receive the same service level as single-family, see Exhibit B1.4. Multi-family premises with bin service may request bulky good pick-ups at the rates identified in Exhibit D, see Exhibit B3.5.
Service Frequency:	Multi-family premises with cart services – same as single-family. Multi-family with bin service – by request at rates identified in Exhibit D. Twenty item limit per collection based on rates identified in Exhibit D.
Service Location:	Curbside for multi-family premises with cart services. For multi-family premises with bin service, after a confirmed acknowledgment by Contractor of the bulky item pick-up request by the customer, the item(s) to be removed shall be set out near the actively serviced location of the customers container(s) or enclosure. The item(s) placed near the container(s) or enclosure shall be set out in a manner that is unobstructed from objects unrelated to the bulky item requested to be removed and shall be placed in a manner that can safely be extracted from the set-out location by hand. Any bulky items set out that are obstructed or cannot be safely extracted may not be removed from the setout location.
Acceptable Materials:	Reusable materials, bulky goods, recyclable materials, yard trimmings, electronic waste, and solid waste
Prohibited Materials:	Food scraps, hazardous substances, abandoned automobiles, trees, excluded waste, electronic waste, construction and demolition waste including roofing, lumber, concrete, masonry, stucco, tile, carpet cuts, or any single item (e.g., large auto parts, etc.) that two people cannot safely handle.
Additional Service:	N/A
Other Requirements:	Contractor shall provide the service to the customer within seven working days of the customer's requested service date, as mutually agreed upon by the customer and Contractor. Customer may request pick-up of a maximum of 20 bulky goods at each pick-up. Contractor shall not dispose of materials collected through the on-call bulky goods/reusable materials collection program unless the materials cannot be reused or recycled. Contractor shall process and dispose of bulky goods and reusable materials collected from customers in accordance with the following hierarchy: (1) reuse as is (where energy efficiency is not compromised); (2) disassemble for reuse or recycling; (3) recycle or compost; and, if none of the other options are practicable, (4) dispose.

5. Holiday Tree Collection

Annually, commencing the day after December 25 and three weeks thereafter, or as otherwise approved by the City Manager, Contractor shall provide collection services as needed to collect holiday trees from multi-family customers at a mutually agreed upon time, date, and designated collection location, as

EXHIBIT B2

MULTI-FAMILY RESIDENTIAL SERVICES

arranged by the Contractor and each multi-family property owner or manager. Contractor shall offer each multi-family property owner or manager the option to receive holiday tree collection service in bins or roll-off boxes, which Contractor shall provide for such service.

Holiday trees must be removed from stands; cut into lengths no longer than four feet; and, be free of ornaments, garlands, tinsel, flocking, or other decorations. Contractor shall not be required to collect holiday trees that do not meet the aforementioned criteria and/or are not placed at the agreed upon collection location, container, and time period. Contractor shall affix a non-collection notice to any non-collected holiday tree informing the customer of the reason(s) for non-collection.

**EXHIBIT B3:
COMMERCIAL SERVICES**

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EXHIBIT B3 COMMERCIAL SERVICES

1. Recyclable Materials Collection

Contractor shall collect recyclable materials placed in Contractor-provided containers from commercial customers subscribing to recyclable materials collection service and transport all recyclable materials to the approved recyclable materials processing facility for processing. Recyclable materials collection services shall be provided to commercial customers in accordance with the approved rate schedule.

- Containers:** Carts, bins, roll-off boxes, and compactors sizes and service frequencies as defined in Exhibit D
- Service Location:** To avoid potential safety concerns, and in accordance with the City Code, the service location will be designated by the customer subject to Contractor confirmation of the service location for safe collection operations at the commercial premises
- Acceptable Materials:** Recyclable Materials
- Prohibited Materials:** Organic materials, solid waste, special waste, and excluded waste
- Additional Service:** Special pick-ups requested by a customer, on days other than the regularly scheduled collection day, shall be available at an approved additional charge.
- Other Requirements:** Upon City or customer request, Contractor shall contact each commercial customer to determine appropriate container sizes and service frequency. Contractor shall deliver recyclable materials containers to each commercial customer at the same time that Contractor delivers solid waste containers, unless that commercial customer is exempted from recyclable materials services by City or has demonstrated to City that it is diverting recyclable materials through subscription with another City-approved hauler, or other City-approved method.
- Contractor shall open and close gates, push and/or pull containers, lock and unlock containers, or perform other services as reasonably necessary to access and empty containers (additional charge may apply as determined in Exhibit D).
- Contractor may refuse to collect a recyclable materials container that contains prohibited container contaminants in the manner and subject to the limits described in Section 5.10 and provided that Contractor leaves a non-collection notice in accordance with Section 6.3.B. Contractor shall keep a record of all non-collection notices and courtesy pick-up notices issued to customers, recording at a minimum the date, customer address, and material type of the container in question.

2. Organic Materials Collection

Contractor shall collect organic materials placed in Contractor-provided containers not less than one time per week from commercial customers and transport all organic materials to the approved organic materials processing facility for processing. Organic materials collection services shall be provided to commercial customers in accordance with the approved rate schedule.

- Containers:** Carts, bins, roll-off boxes, and compactors sizes and service frequencies as defined in Exhibit D

EXHIBIT B3 COMMERCIAL SERVICES

- Service Location:** To avoid potential safety concerns, and in accordance with the City Code, the service location will be designated by the customer subject to Contractor confirmation of the service location for safe collection operations at the commercial premises.
- Acceptable Materials:** Organic materials (including yard trimmings and food scraps)
- Prohibited Materials:** Recyclable materials, solid waste, special waste, and excluded waste
- Additional Service:** Special pick-ups requested by a customer, on days other than the regularly scheduled collection day, shall be available at an approved additional charge.
- Other Requirements:** Contractor shall contact each commercial customer to determine appropriate container sizes and service frequency. Contractor shall deliver organic materials containers to each commercial customer at the same time that Contractor delivers solid waste containers, unless that commercial customer is exempted from organic materials services by City or has demonstrated to City that it is diverting organic materials through subscription with another City-approved hauler, or other City-approved method.
- Contractor shall open and close gates, push and/or pull containers, lock and unlock containers, or perform other services as reasonably necessary to access and empty containers (additional charge may apply as determined in Exhibit D).
- Contractor may refuse to collect an organic materials container that contains prohibited container contaminants in the manner and subject to the limits described in Section 5.10 and provided that Contractor leaves a non-collection notice in accordance with Section 6.3.B. Contractor shall keep a record of all non-collection notices and courtesy pick-up notices issued to customers, recording at a minimum the date, customer address, and material type of the container in question.

3. Solid Waste Collection

Contractor shall collect solid waste placed in Contractor-provided containers not less than one time per week from commercial customers and transport all solid waste to the designated disposal facility for disposal. Solid waste collection services shall be provided to commercial customers in accordance with the approved rate schedule.

- Containers:** Carts, bins, roll-off boxes, and compactors sizes and service frequencies as defined in Exhibit D
- Service Location:** To avoid potential safety concerns, and in accordance with the City Code, the service location will be designated by the customer subject to Contractor confirmation of the service location for safe collection operations at the commercial premises.
- Acceptable Materials:** Solid waste
- Prohibited Materials:** Recyclable materials, organic materials, special waste, and excluded waste
- Additional Service:** Special pick-ups requested by a Customer, on days other than the regularly scheduled collection day, shall be available at an approved additional charge.

EXHIBIT B3 COMMERCIAL SERVICES

Other Requirements: Contractor shall contact each commercial customer to determine appropriate container sizes and service frequency.

Contractor shall open and close gates, push and/or pull containers, lock and unlock containers, or perform other services as reasonably necessary to access and empty containers (additional charge may apply).

4. Temporary Bin Service

Contractor shall provide exclusive temporary bin service to customers upon request for collection of solid waste, recyclable materials, and organic materials. Contractor shall deliver a temporary bin to a customer by the following business day, if requested by 12:00 pm; otherwise, delivery shall be no later than the second business day. Rates for temporary bin service are listed separately in the approved rate schedule.

5. Bulky Good/Reusable Materials Collection

Contractor shall collect bulky goods, reusable materials, and other materials described herein from commercial customers at the rates included in Exhibit D. Contractor shall transport all collected materials to the appropriate approved facility for reuse, processing, or disposal.

Containers:	Not applicable
Service Level:	Commercial premises may request bulky good pick-ups at the rates identified in Exhibit D. Twenty item limit, per collection, based on rates identified in Exhibit D.
Service Frequency:	There is no limit on the amount of requests with collection provided at rates identified in Exhibit D.
Service Location:	Default is curbside for commercial premises, or if curbside is not applicable or causes safety concerns location will be at mutually agreed upon location by customer and Contractor.
Acceptable Materials:	Reusable materials, bulky goods, recyclable materials, yard trimmings, electronic waste, and solid waste
Prohibited Materials:	Food scraps, hazardous waste, abandoned automobiles, trees, excluded waste, special waste, or any single item (e.g., large auto parts) that exceeds 200 pounds in weight
Additional Service:	N/A
Other Requirements:	Contractor shall provide the service to the customer within seven working days of the customer's requested service date, as mutually agreed upon by the customer and Contractor. Customer may request pick-up of a maximum of 20 bulky goods at each pick-up charged at rates in Exhibit D. Contractor shall not dispose of materials collected through the on-call bulky goods/reusable materials collection program unless the materials cannot be reused or recycled. Contractor shall process and dispose of bulky goods and reusable materials collected from customers in accordance with the following hierarchy: (1) reuse as is (where energy efficiency is not compromised); (2) disassemble for reuse or recycling; (3) recycle or compost; and, if none of the other options are practicable, (4) dispose.

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EXHIBIT B4:
CITY AND COMMUNITY SERVICES AND DATA

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EXHIBIT B4

CITY AND COMMUNITY SERVICES AND DATA

1. Services to City Facilities

Contractor shall collect recyclable materials, organic materials, bulky goods, and solid waste from City facilities, including collection of street sweeping solid waste, in the same manner as those services are provided to commercial customers and shall provide designated personnel in accordance with Section 6.7.D. Contractor shall provide service to all existing City facilities identified in Exhibit B4 as well as any future City facilities established after the Effective Date. Contractor shall provide these services at no additional cost to City. City facility service as described by this Section shall include unlimited roll-off box collection service, including construction and demolition roll-off boxes to support City construction and demolition projects, and periodic bulky goods collection. Contractor shall deliver roll-off boxes within 24 hours of City request. Contractor shall collect, empty, and return roll-off boxes within 24 hours of City request. Contractor shall remove and not return roll-off boxes within 24 hour of City request.

2. Emergency Services

Contractor shall provide and maintain a current emergency list of responsible personnel to be contacted in the event of an emergency. Contractor shall provide emergency services (i.e., special collections, transport, processing, and disposal) at the request of the City Manager in the event of major accidents, disruptions, or natural calamities. Contractor shall be capable of providing emergency services within 24 hours of notification by the City Manager or as soon thereafter as is reasonably practical in light of the circumstances. For any services that exceed the scope of services under this Agreement, Contractor shall be entitled to compensation at the emergency service rates approved under this Agreement. City shall have discretion in the method of such compensation between direct payments by City and allowing such costs to be considered in the adjustment of rates for the following rate period.

3. Shredding Event(s)

Contractor shall provide an on-site mobile shredding service for use by City residents (a "Shredding Event") one time per calendar year at no additional charge. The Shredding Event shall be provided at a date, time, and location designated and approved by the City Manager and shall be for a minimum of three hours in duration. In the event inclement weather prevents a Shredding Event from occurring, Contractor shall reschedule the Shredding Event to a date, time, and location designated and approved by the City Manager. The Shredding Event shall be conducted at Contractor's sole cost and expense, utilizing equipment, personnel, and methods appropriate for such event, as approved by the City Manager. Prior to each Shredding Event, Contractor shall coordinate with City staff and/or public safety personnel to make arrangements for safe, convenient, and effective access to and participation by City residents in the Shredding Event and shall procure all necessary insurance coverage. Contractor shall provide staff to assist with verifying residency, distributing educational materials, assisting with traffic control, and providing other opportunities of outreach/education to the community as determined by City staff. Each Shredding Event shall be designed to accommodate up to a maximum of five "Bankers" boxes of paper or other media suitable for shredding from each residential and multi-family premises customer that is participating in the Shredding Event. Participants are allowed to observe the shredding of their materials during the Shredding Event. Contractor shall publicize each Shredding Event through methods, and using materials, approved by the City Manager, at no cost to City.

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CITY AND COMMUNITY SERVICES AND DATA

4. Procurement of Organic Waste Products

- A. **Annual Requirements.** Contractor shall assist City to procure sufficient California derived compost, mulch, and/or renewable natural gas to meet City's requirement for recovered organic waste products of 0.08 tons per capita per year as specified in SB 1383.

Contractor shall annually perform the following activities:

1. **Compost/Mulch Give-Away Events.** Contractor shall distribute an annual total of at least 20 tons (or a higher amount, if requested by the City) of compost and/or mulch to Brea residents at no additional cost to City or customers at one public compost/mulch give-away event per contract year (such that Contractor shall provide at least 500 bags per event). The location, date, and time of such events shall be mutually agreed upon by Contractor and the City Manager and may be held in conjunction with other City-approved events. Contractor shall deliver the loose or bagged compost/mulch to the agreed-upon event location at no cost to City. Contractor shall provide at least one attendant for at least six hours per event. Any compost and or mulch given away to the community through this program shall count towards Contractor's obligations to provide City with the amount of organic waste products required under SB 1383.
 2. **Use of RNG.** Contractor shall use reasonable business efforts to use California-derived renewable natural gas in collection vehicles and provide City the necessary SB 1383 implementation record documentation if RNG is utilized.
- B. **Other Requirements.** City will notify Contractor by January 1 of each calendar year if any further assistance will be requested by the Contractor to support the City in achieving the City's SB 1383 organic waste procurement requirements in addition to the annual requirements in Section 4.A of this Exhibit B4 above. Possible support includes, but is not limited to the following:
1. **Bulk Compost and/or Mulch.** If requested by City, Contractor shall provide bulk compost, mulch, or both to assist City to achieve City's recovered organic waste product purchasing requirements. City will notify Contractor of City's needs for delivery of compost, mulch, or both, each calendar year by January 1 or with a minimum of two weeks' notice for sudden requests to allow Contractor time to make the necessary arrangements. City requests shall include the desired tonnage of each material type and location for delivery. Contractor shall deliver compost, mulch, or both, at an agreed upon date and time by the City Manager to any mutually agreed upon location within City limits. City will review the quality specifications provided by Contractor of the selected material type for any given application. Contractor shall be entitled to compensation for actual costs of providing compost and mulch. Contractor shall provide City with copies of supporting documentation, such as invoices from compost/mulch producers, for the purchase of compost/mulch, and transportation invoices from providers that deliver the compost/mulch. City shall remit compensation directly to Contractor through payment of monthly invoices submitted by Contractor.
 2. **Other SB 1383 Compliant Methods.** If requested by the City, Contractor, as part of the City's annual procurement support request, may utilize other methods approved by CalRecycle or applicable law to assist the City to achieve the procurement requirements including provision of organic material to third parties through direct service provider agreements, purchase of

EXHIBIT B4

CITY AND COMMUNITY SERVICES AND DATA

procurement compliance attributes, or other methods of compliance that are approved by CalRecycle. Contractor shall provide City with copies of supporting documentation, such as invoices from third parties, for these arrangements, and any other information required for inclusion in the City's SB 1383 implementation record. City shall remit compensation directly to Contractor through payment of monthly invoices submitted by Contractor.

- C. **SB 1383 Procurement.** All RNG, compost, mulch, or both, provided through this Agreement shall comply with the municipal procurement requirements of SB 1383, including being generated from California organic waste products, as defined by SB 1383 for each applicable material type.
- D. **Contractor Warranty of Recovered Organic Waste Products.** Contractor shall provide assurance through the execution of a liability waiver stating that all recovered organic waste products provided by Contractor and used within Brea are free from pathogens and inorganic waste material that may be harmful to the health and welfare of City and its constituents and also meet standards of CalRecycle and the United States Composting Council guidelines requiring testing demonstrating that fecal coliform levels of less than 1,000 MPN per gram of dry compost or Salmonella less than three MPN per four grams of dry compost. Contractor shall indemnify and hold harmless the City against any claims arising from contaminated recovered organic waste products provided by Contractor, as set forth in Article 10.

5. News Media Relations

Contractor shall notify City by e-mail of requests for news media interviews specifically related to the City's collection services program within 24 hours of Contractor's receipt of the request. Whenever reasonably possible given time constraints and conditions, before responding to any media inquiries involving controversial City issues or any issues regarding City's services, Contractor shall contact City to discuss its proposed response with the City.

If reasonable and feasible under the circumstances, copies of draft news releases or proposed newspaper articles related to the provision of collection services under this Agreement shall be submitted to City for prior review and approval, except where Contractor is required by any law to submit materials to any regulatory agency in a shorter period of time, in which case Contractor shall submit such materials to City simultaneously with Contractor's submittal to such regulatory agency.

Copies of articles resulting from media interviews or news releases shall be provided to City within five business days after publication.

6. Waste Generation, Characterization, and Pilot Studies.

Contractor acknowledges that City, CalRecycle, or other governmental agencies may wish to perform generation and characterization studies periodically with respect to materials covered under this Agreement. Contractor shall participate and cooperate with City and its agents and shall perform studies and data collection exercises on mutually agreeable terms and time frames, as needed, to determine weights, volumes, and composition of materials generated, disposed, diverted, or otherwise processed.

Contractor acknowledges that the County, in coordination with City, is required by SB 1383 to conduct organic waste and edible food capacity planning studies. Contractor shall provide information to City, as needed, for City's participation in such capacity planning studies. This information and/or participation

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CITY AND COMMUNITY SERVICES AND DATA

may include: conducting or supporting waste characterization studies; providing information regarding existing and potential new or expanded capacity in Contractor's operations for the collection, transport, or processing of recyclable and organic materials; and, any other information deemed necessary by City or the County for purposes of the study. Contractor shall respond to any request for information from City within 30 days, unless another timeframe is otherwise specified or authorized by City.

Contractor acknowledges that City may wish to conduct and/or participate in pilot studies related to the customers and materials that are the subject of this Agreement. If City requires Contractor to participate in any such pilot study, Contractor and City shall mutually agree on the scope of services to be provided by Contractor and the amount of compensation, if any, that City will pay to Contractor for such participation. In any event, Contractor shall permit and in no way interfere with the collection and handling of the subject materials by other persons for such purposes.

7. Illegally Dumped Bulky Goods.

Contractor shall, at no additional charge, provide on-demand collection of illegally dumped bulky goods within two working days of City's request. The residential bulky goods collection vehicle may be used to collect illegally dumped bulky goods and the tonnage collected may be co-mingled with residential tonnage and charged to City at City's approved residential tonnage rate.

8. Large Venue and Event Assistance, Event Recycling

Contractor shall assist City planners of large venue events with reporting and planning needs to provide recycling and organics materials diversion, as may be useful in meeting the requirements of AB 2176 and SB 1383, and in lowering disposal quantities generated at such events at no additional charge.

9. Neighborhood and Other Community Cleanups

Contractor shall supply the equivalent container capacity of up to seven 40-yard roll-off boxes and containers in additional sizes once per contract year for the collection of solid waste, recyclable materials, and organic waste for City-sponsored neighborhood cleanups, such as Love Brea cleanups or special cleanup details, at no additional charge to City or customers. Dates and locations of events shall be determined and approved by City. City staff shall inform Contractor of the date and location for each event. Additionally, Contractor shall supply two three-yard bins and cardboard event boxes for events throughout the year.

All material collected must be transferred, processed, and/or disposed of in accordance with SB 1383.

10. City Sponsored Events

Contractor shall provide solid waste, source separated recyclable materials, and source separated organic waste collection and disposal/processing service for City-sponsored events including the City-sponsored events included in this Exhibit B4 at no additional charge to City or customers. This shall include providing discarded material containers (carts, bins, roll-off boxes, and cardboard waste boxes with liners) to collect and dispose of, or process, all solid waste. Contractor shall provide containers for the collection of source separated recyclable materials, and source separated organic materials.

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CITY AND COMMUNITY SERVICES AND DATA

11. Bus Stop Public Litter Container Collection

City collects discarded material from all public litter containers located at bus stops throughout Brea and delivers it to the City Yard. Contractor shall dispose of all discarded materials in the City Yard containers. Public litter containers are provided by City.

12. Edible Food Recovery Programs

A. Food Recovery Assistance.

1. Contractor shall assist City in identification of all commercial customers that meet the definition of tier one and tier two commercial edible food generators and provide a list of such customers to City, which shall include: customer name; service address; contact information; tier one or tier two classification; and, type of business (as it relates to the tier one and tier two commercial edible food generator definitions).
2. At least annually, Contractor shall provide commercial edible food generators with the following information:
 - a. Information about Contractor's and City's edible food recovery program.
 - b. Information about the commercial edible food generator requirements under 14 CCR Chapter 12 Article 10.
 - c. Information about food recovery organizations and food recovery services operating within Brea, and where a list of those food recovery organizations and food recovery services can be found.
 - d. Information about actions that commercial edible food generators can take to prevent the creation of food waste.
3. Contractor may provide the education information required by this Section by including it with regularly scheduled notices, education materials, billing inserts, or other information disseminated to commercial businesses.
4. Contractor shall cooperate with the implementation, expansion, or operation of food recovery efforts in Brea, food recovery organizations, and/or food recovery services.
5. Contractor shall provide collection and processing of organic materials at no additional cost to food recovery organizations.

EXHIBIT B4
CITY AND COMMUNITY SERVICES AND DATA

Current City Facilities

Row	City Facility	Address
1	Brea Civic & Cultural Center	1 Civic Center Circle
2	Brea Community Center	695 E. Madison Way
3	Brea Museum and Heritage Center	495 S. Brea Blvd
4	Brea Plunge/City Hall Park	440 S. Walnut/401 S Brea Blvd
5	Brea Lions Scout Center	401 S. Brea Blvd
6	Fire Station #1	555 North Berry St
7	Fire Station #2	200 North Brea Blvd
8	Fire Station #3	2600 Santa Fe Rd
9	Fire Station #4	198 Olinda Pl
10	City Service Center	545 N Berry St
11	Olinda Oil Museum and Trail	4025 E Santa Fe Rd
12	Parking Structure #1	101 S Brea Blvd
13	Parking Structure #2	175 N Madrona Ave
14	Parking Structure #3	235 S Orange
15	Pioneer Hall	304 W Elm
16	Senior Center	500 Sievers Ave
17	Founders Park	777 Skyler Way
18	Arovista Park	500 W Imperial Hwy and 500 Sievers Ave
19	Greenbriar Park	Greenbriar Ln and S Associated Rd
20	Brea Sports Park	3333 E Birch St
21	Lagos de Moreno Park	322 E Birch St
22	Olinda Ranch Park	4001 Carbon Canyon Rd
23	Wildcatters Park	3301 E Santa Fe Rd
24	Wildcatters Dog Park	3450 E Santa Fe Rd
25	Tamarack Park	520 Tamarack Ave
26	Junior High Park	400 N Brea Blvd
27	City Hall Park	401 S Brea Blvd
28	Country Hills Park	180 N Associated
29	Birch Hills Golf Course	2250 E Birch St
30	Brea Creek Golf Course	501 W Fir St

**EXHIBIT B4
CITY AND COMMUNITY SERVICES AND DATA**

City Events List

Event Name	Attendance (People)	Frequency
Nutcracker	Approximately 5,000	Annually, two consecutive days
Spring Craft Boutique	Approximately 3,000	Annually, two consecutive days
Public Works Open House	Approximately 1,000	Annually
Country Fair (4 th of July)	Approximately 5,000	Annually
Brea Fest	Approximately 5,000-7,000	Annually
Pet Expo	Approximately 2,000	Annually
Family Films	Approximately 1,000 between six films	Six / Year
Veterans Day	Approximately 700	Annually
Tree Lighting	Approximately 1,000	Annually
Love Brea/Go. Serve. Brea	Approximately 500	Annually
National Night Out	Approximately 2,000	Annually

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EXHIBIT C:
PUBLIC EDUCATION AND OUTREACH REQUIREMENTS

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EXHIBIT C

PUBLIC EDUCATION AND OUTREACH REQUIREMENTS

1. General Administration

City has placed the utmost importance on effective public outreach and education in helping residents and businesses fully understand options for, and benefits of, source reduction, reuse, recycling, and composting. General provisions for public education and outreach are as follows:

- A. Within 30 days of the Effective Date and by December 15 of each following year during the term of this Agreement, Contractor shall develop and submit an annual public education plan to promote the programs designed by City and performed by Contractor under this Agreement. Each public education plan shall specify the target audience for services provided, include upcoming promotions for ongoing and known special events, and identify program objectives, individual tasks, public education materials to be distributed, opportunities for expanded partnerships, and a timeline for implementation. The City Manager shall be permitted to provide input on each annual public education plan, and the plan shall not be finalized or implemented without approval of the City Manager. Contractor shall meet with the City Manager to present and discuss the plan, review the prior year's activities (including sponsorships and services provided to City-sponsored events) and determine whether community activities and the provision of services to City reflect the needs of City staff and the City Council. The City Manager shall be allowed up to 60 calendar days after receipt to review and request modifications. The City Manager may request, and Contractor shall not unreasonably deny, modifications to be completed prior to approving the plan. Contractor shall have up to 15 business days to revise the plan in response to any requested changes by the City Manager. Any further delays may result in liquidated damages for failure to perform education and outreach activities as identified in this Exhibit C. Each business day that the plan is late shall count as a single occurrence.
- B. Upon request from the City Manager, the City Manager and the Contract Administrator shall meet at least one time per month to discuss services, outreach, and educational campaigns and request changes or adaptations to the annual public education plan.
- C. Contractor shall distribute instructional information, public education, and promotional materials in advance of, and following, commencement of new or modified services. This shall entail, at a minimum, distributing program literature to all customers at the Effective Date as well as to any new customers. Contractor shall use multiple media sources including print, radio television, electronic/social media, and events to notify customers of the change in their service provider, if applicable, and to highlight new program offerings. Transition and ongoing sector-specific collateral materials shall be distributed. Contractor shall submit all draft materials to the City Manager for review and approval. Contractor will supply all collateral or outreach to City upon request and for events where Contractor participation is requested for no additional charge.
- D. All City facilities shall receive any and all public education and outreach materials and services provided to the commercial sector. Contractor shall provide all printed public education materials to City offices and facilities to have available for the public that visits those facilities and shall replenish the materials as requested by the City Manager.
- E. City or Contractor may design bill inserts. Bill inserts designed by Contractor shall be provided to the City Manager a minimum of 60 days prior to publication. The City Manager shall review bill inserts designed by Contractor, and Contractor shall be responsible for printing and distributing the billing inserts to all customers. Contractor shall provide electronic bill inserts (or separate email

EXHIBIT C

PUBLIC EDUCATION AND OUTREACH REQUIREMENTS

attachments) to customers who are billed electronically and paper bill inserts to customers who receive paper bills. For customers receiving electronic bills, Contractor shall distribute brochures, newsletters, or other information as attachments to customer invoices. Electronic bill inserts/attachments must be readily available for the customer to view upon receipt of the invoice (attachments shall not be provided as links). Upon City request for billing inserts, Contractor shall comply with such request during its next billing cycle for the targeted customer group, if specified. Contractor shall perform this service with no additional requirement for compensation.

- F. Contractor has developed and shall maintain a website specific to its operations in Brea, with a section specific to City programs and customers, that will be used to post educational materials for download, highlight program successes, and provide diversion statistics, which can be located at <https://www.republicservices.com/municipality/brea-ca>. Contractor's Brea specific website shall also include links to relevant web pages of City's website where further information can be found. Content for the website shall be approved by the City Manager. Contractor shall review the website at a minimum annually to update information contained on website.

2. Sector-Specific Activities

The following tables present the public education and outreach activities to be performed by Contractor each rate period as minimum requirements under this Agreement. Each customer faces unique discarded materials management opportunities and challenges; therefore, Contractor shall develop targeted, sector-specific educational materials and perform outreach activities as described for each customer type.

EXHIBIT C PUBLIC EDUCATION & OUTREACH PLAN

Public Education and Outreach | All Sectors

All printed materials also shall be posted to Contractor's website. All education and outreach materials shall be Brea-specific and available in English, Spanish, Korean, and Traditional Chinese languages.

The following general public education and outreach materials shall each be produced for the benefit of all customer types.

Activity	Description	Distribution/Frequency
Newspaper Advertisement	Distribute a newspaper advertisement that explains all programs that will be offered under the new Agreement. Contractor shall also provide articles on recycling for local newsletters.	Within 30 days of the Effective Date Annually thereafter
Direct Community Outreach	Contractor shall conduct school assemblies and promote recycling through presentations and educational materials to the Chamber of Commerce, homeowner associations, construction contractors, and other civic groups.	Annually
Website	Contractor to prepare a section of its website where it will present customers with educational and diversion programs, upcoming outreach events, services, and resources specific to City. Website shall include Contractor's customer service contact, material on source reduction of household solid waste, and relevant legislative requirements.	Updated as mutually agreed
Corrective Action Notices – "Contamination Tag"	Produce and distribute a notice for use in instances where the customer includes prohibited materials in a container or fails to properly prepare containers. This form shall also be printed and made available in Spanish, Korean, and Traditional Chinese languages.	As needed

EXHIBIT C PUBLIC EDUCATION & OUTREACH PLAN

Public Education and Outreach | Single-Family Education and Outreach Activities

All printed materials also shall be posted to Contractor's website.

Activity	Description	Distribution/Frequency
Initial Mailing	Produce and distribute a City-designed initial mailing to single-family customers, which may include content such as: explaining the program changes in this Agreement; changes from the existing collection programs to new programs; regulatory requirements, including SB 1383; and, the commencement of the change. Contractor shall include its holiday schedule and the residential recycling and expanded services guide.	Within 60 days of the Effective Date via direct mail
Annual Notice	Contractor shall prepare and distribute to each customer a brochure providing relevant information about Contractor's services, including: information regarding access to and use of available services; collection schedules; holiday collection schedules; customer service numbers; procedures to begin and terminate services; and, information promoting and explaining available programs, such as recycling, organic materials, holiday tree and bulky good collections, the availability of household hazardous waste, u-waste and e-waste collection, and the proper handling and disposal of such wastes. This brochure shall also be printed and made available in Spanish, Korean and Traditional Chinese languages.	Annually
Recycling Guide	Produce and distribute a "recycling guide" specific to single-family customers. This guide shall include information on collection methodologies, set out instructions, set out schedule, contact information, and acceptability and necessary preparation of materials for all single-family programs described in Exhibit B1. A section of the guide will specifically address proper methods of handling and disposal of hazardous wastes.	Affixed (inside plastic bag, zip-tied to handle) to every single-family recyclable materials cart delivered prior to the Effective Date, and thereafter to all new customers By direct mail annually thereafter to each single-family customer

EXHIBIT C
PUBLIC EDUCATION & OUTREACH PLAN

Activity	Description	Distribution/Frequency
Neighborhood Group & HOA Visits	Upon City or customer request, visit homeowner associations and other neighborhood groups and associations to promote and explain the recycling programs included in this Agreement.	At City or customer request
Quarterly Newsletter	Not less than four times per year during each rate period, Contractor shall be responsible for all costs incurred for the production and mailing of City's Quarterly Newsletter. City reserves the right to direct the production of the Quarterly Newsletter to a firm of its choosing. The Quarterly Newsletter will include information on current regulations and any additional regulations adopted during the term of this Agreement. Contractor shall be required to coordinate distribution via U.S. Mail of the Quarterly Newsletter with a local mailing house, including furnishing customer mailing addresses.	Quarterly
Corrective Action Notices	Produce and distribute a single-family customer oriented non-collection notice and courtesy pick-up notices for use in instances where the customer includes prohibited container contaminants in a container or fails to properly prepare or set-out containers.	As needed
Seasonal Program Notifications	Contractor shall prepare a brochure or postcard informing all single-family customers advertising holiday tree collections pursuant to Exhibit B1.5 and any other seasonal or periodic program(s). The notification shall inform customers of the schedule, acceptable and prohibited materials, and set-out requirements for the program. Contractor shall submit a draft of the brochure or postcard to City for review and approval by October 1 each year.	At least 14 calendar days prior to event via direct mail
Website	Contractor shall prepare a "single-family customer" section of its website where it will present customers with "how-to" information for participating in Contractor-provided programs, including proper container setouts, and provide single-family customers with links to click on for additional resources. All other single-family educational materials specified in this Section shall be posted on this section of Contractor's website in PDF and/or video format. The website shall also publish the current rates charged to single-family customers within Brea.	Within 60 calendar days of the Effective Date Updated quarterly

EXHIBIT C
PUBLIC EDUCATION & OUTREACH PLAN

Activity	Description	Distribution/Frequency
Mandatory Recycling and Organics Outreach Activities	Produce and distribute outreach materials containing information to assist City with outreach compliance for applicable laws related to mandatory recycling and organics including SB 1383. Can be combined with annual notice requirements and quarterly newsletters.	Annually

EXHIBIT C PUBLIC EDUCATION & OUTREACH PLAN

Public Education and Outreach | Multi-Family Education and Outreach Activities

All printed materials also shall be posted to Contractor's website.

Activity	Description	Distribution/Frequency
New Programs Mailing	Produce and distribute an initial mailing to all multi-family dwelling units explaining the program changes in this Agreement, changes from the existing collection programs to new programs, new regulatory requirements, including SB 1383, and the commencement of the change.	Within 60 days of Effective Date via direct mail
Annual Notice	Contractor shall prepare and distribute to each customer a brochure providing relevant information about Contractor's services including: information regarding access to and use of available services; collection schedules; holiday collection schedules; customer service numbers; procedures to begin and terminate services; and, information promoting and explaining available programs, such as recycling, organic materials, holiday tree and bulky good collections, the availability of household hazardous waste, u-waste and e-waste collection, and the proper handling and disposal of such wastes. This brochure shall also be printed and made available in Spanish, Korean, and Traditional Chinese languages.	Annually
Recycling Guide	Produce and distribute a "Recycling Guide" specific to multi-family customers and updated versions of the guide as needed. This guide shall include information such as collection methodologies, set out instructions, contact information, and acceptability and necessary preparation of materials for all multi-family programs described in Exhibit B2. A section of the guide will specifically address proper methods of handling and disposal of hazardous wastes.	Within 30 days of the Effective Date and as needed via direct mail
Technical Assistance: Diversion Opportunity Assessments	Provide diversion opportunity assessments to each multi-family customer to meet with the property manager or owner of multi-family premises to promote recyclable and organic materials collection.	Annually plus follow-up meetings with individual customers, as needed

EXHIBIT C PUBLIC EDUCATION & OUTREACH PLAN

Activity	Description	Distribution/Frequency
Workshops	Offer and respond to requests for on-site meetings and workshops. Contractor shall conduct workshops for customers (when requested) that will show property managers and residents, in a hands-on interactive format, how to use the recycling and organics program and will provide resources for additional information and support.	At Customer's request
Website	Contractor shall prepare a "multi-family customer" section of its website where it will present "how-to" information for participating in Contractor-provided programs, including proper container setouts, and provide multi-family customers with links to click on for additional resources. All other multi-family educational materials specified in this Exhibit C shall be posted on this section of Contractor's website in PDF and/or video format. The website shall also publish the current rates charged to multi-family customers. The website shall also provide property managers of multi-family premises with an opportunity to request "diversion opportunity assessments" or additional education materials to provide to tenants.	Within 60 days of the Effective Date Updated Quarterly
Mandatory Recycling and Organics Outreach Activities	Contractor shall disseminate outreach materials containing information to assist City with outreach compliance for applicable laws related to mandatory recycling and organics including AB 341, AB 1826, and SB 1383.	Annually
Educational Materials for Employees/Tenants	Contractor shall provide commercial and multi-family property managers/owners with public education materials, required by SB 1383, for their distribution to all employees, contractors, tenants, and customers of the property or business. The public education materials shall include information about organic waste recovery requirements and proper sorting of discarded materials. Multi-family property managers/owners may request these materials more frequently if needed to comply with the SB 1383 requirement to provide information to new tenants before or within 14 days of occupancy.	Annually; or more frequently upon Customer request

EXHIBIT C PUBLIC EDUCATION & OUTREACH PLAN

Public Education and Outreach | Commercial Education and Outreach Activities

All printed materials also shall be posted to Contractor's website.

Activity	Description	Distribution/Frequency
New Programs Mailing	Prepare and distribute an initial mailing to all commercial customers explaining the program changes in this Agreement, changes from the existing collection programs to new programs, and the commencement date of the change.	Within 60 days of the Effective Date via direct mail
Annual Notice	Contractor shall prepare and distribute to each customer a brochure providing relevant information about Contractor's services, including: information regarding access to and use of available services; collection schedules; holiday collection schedules; customer service numbers; procedures to begin and terminate services; and, information promoting and explaining available programs, such as recycling, organic materials, holiday tree and bulky good collections, the availability of household hazardous waste, u-waste and e-waste collection, and the proper handling and disposal of such wastes. This brochure shall also be printed and made available in Spanish, Korean, and Traditional Chinese languages.	Annually
Newsletters (Three times per year)	Not less than three times per year during each rate period, Contractor shall be responsible for all costs incurred for the production and mailing of City's newsletter. City reserves the right to direct the production of the newsletter to a firm of its choosing. The newsletter will include information on current regulations and any additional regulations adopted during the term of this Agreement. Contractor shall be required to coordinate distribution via U.S. Mail of the newsletter with a local mailing house, including furnishing customer mailing addresses. The commercial newsletter may be combined with residential newsletter so long as all generator types receive the information, and the information is relevant to all generators. City must approve combining newsletters in advance.	Three times per year distributed to all commercial and multi-family customers

**EXHIBIT C
PUBLIC EDUCATION & OUTREACH PLAN**

Activity	Description	Distribution/Frequency
Recycling Guide	Contractor shall produce a "recycling guide" specific to commercial customers and update the guide as needed. This guide shall include information on collection methodologies, set out instructions, contact information, and acceptability and necessary preparation of materials for all commercial programs described in Exhibit B3. A section of the guide will specifically address proper methods of handling and disposal of hazardous wastes.	Within 30 days of the Effective Date and as needed via direct mail Distributed during diversion opportunity assessments
"How-to" Flyer: Recyclable Materials	Prepare and distribute a "how-to" brochure explaining the recycling materials collection programs for each general business type (restaurants, office/commercial buildings, strip malls, and large commercial businesses).	Within 30 days of the Effective Date via direct mail Distributed during diversion opportunity assessments
"How-to" Flyer: Organic Materials	Prepare and distribute a flyer describing the organic materials collection services available and how to prepare organic materials for collection for each general business type (restaurants, office/commercial buildings, strip malls, and large commercial businesses).	Within 30 days of the Effective Date via direct mail Distributed during diversion opportunity assessments
Technical Assistance: Diversion Opportunity Waste Assessments	Provide diversion opportunity assessments at least one time annually to each and every commercial customer to promote recyclable and organic materials collection and replenish recycling guides and recycling and organics posters as needed by each customer.	Annually plus follow-up meetings with individual customers, as required
Recycling and Organics Posters	Produce and distribute (during diversion opportunity assessments) laminated recycling and organics posters that provide graphic illustrations of acceptable and prohibited materials within each program.	Distributed during diversion opportunity assessments

**EXHIBIT C
PUBLIC EDUCATION & OUTREACH PLAN**

Activity	Description	Distribution/Frequency
Quarterly Bill Inserts	Prepare and distribute quarterly bill inserts that creatively inform commercial customers about such topics as: cost savings available from source reduction, reuse, and recycling; tips for overcoming common operational challenges businesses have with recycling and organics programs; the environmental benefits of buying recycled-content products; and, statistics, trends, and facts about programs performed under this Agreement (e.g., collected, tonnage, year over year increase/decrease, markets for material collected, what each material is recycled into) as appropriate. Contractor's annual public education plan shall define a theme for each quarterly insert.	Quarterly via direct mail
Corrective Action Notices	Produce a commercial and multi-family customer oriented corrective action notice for use in instances where the customer includes prohibited container contaminants in a container or fails to properly prepare or set-out containers.	As needed
Mandatory Recycling and Organics Outreach Activities	Contractor shall disseminate outreach materials related to the mandatory nature of recyclable materials and organic materials collection services, upon request from City. Such outreach shall be designed to assist City in complying with the outreach requirements of applicable laws related to the mandatory provision of recyclable materials and organic materials collection and diversion services.	Annually
Educational Materials for Employees/Tenants	Contractor shall provide commercial and multi-family property managers owners with public education materials, required by SB 1383, for their distribution to all employees, contractors, tenants, and customers of the property or business. The public education materials shall include information about organic waste recovery requirements and proper sorting of discarded materials. Commercial customers may request these materials more frequently if needed to comply with the SB 1383 requirement to provide information to new tenants before or within 14 days of occupancy.	Annually; or more frequently upon Customer request Can be provided electronically to property or business

**EXHIBIT C
PUBLIC EDUCATION & OUTREACH PLAN**

Activity	Description	Distribution/Frequency
Commercial Edible Food Generator Education	<p>Contractor shall provide customers that are commercial edible food generators with the following:</p> <ol style="list-style-type: none"> 1. Information about City's edible food recovery program. 2. Information about the commercial edible food generator requirements under 14 CCR, Division 7, Chapter 12, Article 10. 3. Information about food recovery organizations and food recovery services operating within Brea and where a list of those food recovery organizations and food recovery services can be found. 4. Information about actions that commercial edible food generators can take to prevent the creation of food waste. 	Annually

EXHIBIT C PUBLIC EDUCATION & OUTREACH PLAN

Public Education and Outreach | Special Events

All printed materials also shall be posted to Contractor's website as well as links to teacher resources.

Activity	Description	Distribution/Frequency
Event Exhibit	Contractor shall staff an exhibit booth and distribute promotional and educational materials at special events. Contractor shall provide visual displays, copies of educational materials (including all guides, flyers, and brochures produced for this Agreement), and recycling education activities appropriate to a variety of age groups. Display components will be professionally designed and created and shall be scalable to be appropriate for a variety of booth or display configurations. Materials will include those pertaining to the programs provided under this Agreement as well as general information on "green" and/or sustainable behaviors.	All special events listed in Exhibit B4 Other events at City's request

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**EXHIBIT D:
INITIAL MAXIMUM RATES**

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EXHIBIT D: INITIAL MAXIMUM RATES

Following are the current rates for July 1, 2024 through June 30, 2025 and the initial maximum rates as posted in the Proposition 218 Notice. In the table below, the Proposed Adjusted Rate column sets forth the initial maximum rates as posted in the Proposition 218 Notice.

CITY OF BREA PROPOSED SOLID WASTE & RECYCLING SERVICE RATES

(Rates may escalate on July 1, 2025; July 1, 2026; July 1, 2027; and July 1, 2028)

SINGLE FAMILY RESIDENTIAL SERVICES*	Current Rate	¹ City Utility Billing	¹ Collection Component (85%)	¹ Disposal Component (15%)	¹ Proposed Adjusted Rate
*Residential premises with 4 or less dwelling units MONTHLY RESIDENTIAL RATE (Includes 3 carts: 1 Trash, 1 Recycle, 1 Organic Waste 1x/week PICK-UP)	\$27.80	\$3.14	\$25.03	\$4.42	\$32.59
ADDITIONAL RESIDENTIAL					
TRASH CONTAINER	\$13.15		\$12.95	\$2.28	\$15.23
ORGANIC WASTE CONTAINER	\$6.04		\$5.95	\$1.05	\$7.00
RECYCLE CONTAINER	\$0.00		\$0.00	\$0.00	\$0.00
MOBILE HOME RESIDENTIAL RATE	\$27.80	\$3.14	\$2.67	\$0.47	\$32.59
TEMPORARY 3 YARD RES. BIN 3 DAYS (Del - Fill - PICK-UP & Disposal)	\$105.89		\$104.26	\$18.40	\$122.66
Non Profit TEMPORARY 3 YARD RES. BIN	\$99.35		\$97.82	\$17.26	\$115.08
EACH ADDITIONAL DAY - Temp Bin	\$7.36		\$7.25	\$1.28	\$8.53
EACH ADDITIONAL EMPTY (Cycle Starts Again)	\$105.89		\$104.26	\$18.40	\$122.66
RESIDENTIAL ROLL-OUT SERVICES (Service is for customers that want back door, garage, walk in service)	\$14.01		\$13.79	\$2.43	\$16.22
RESIDENTIAL EXTRA DUMP - ALL 3 CONTAINERS	\$29.74		\$29.28	\$5.17	\$34.45
RESIDENTIAL EXCHANGE OF ALL 3 CONTAINERS	\$45.98		\$45.27	\$7.99	\$53.26
RESIDENTIAL CONTAINER REPLACEMENT - MISUSE (Each)	\$81.36		\$80.11	\$14.14	\$94.25
RESIDENTIAL BULKY-ITEM COLLECTION					
Additional Pick-ups Over 3x Pick-up/Year	\$57.55		\$56.67	\$10.00	\$66.67
Charge for Each Item Over 20 per Collection	\$8.22		\$8.09	\$1.43	\$9.52
Additional Fee Required for Gas Recovery	\$78.12		\$76.92	\$13.57	\$90.49
RESIDENTIAL KITCHEN PAIL FOR PURCHASE (unbranded)	New Rate				\$12.15

EXHIBIT D: INITIAL MAXIMUM RATES

COMMERCIAL/MULTI-FAMILY/INDUSTRIAL BIN SERVICE	Current Rate	² Collection Component (85%)	² Disposal Component (15%)	² Proposed Adjusted Rate
(Absent a waiver, trash, recycle, and organic waste service is required. Typical service includes 1 trash, 1 recycle, and 1 organic waste container)				
COMMERCIAL BARREL RATE (96 GALLON TRASH)	\$41.26	\$37.26	\$6.58	\$43.84
MONTHLY COMMERCIAL TRASH BIN RATES				
1.5 YARD TRASH BIN 1x/week PICK-UP	\$111.93	\$101.09	\$17.84	\$118.93
1.5 YARD TRASH BIN 2x/week PICK-UP	\$194.06	\$175.26	\$30.93	\$206.19
1.5 YARD TRASH BIN 3x/week PICK-UP	\$276.19	\$249.43	\$44.02	\$293.45
1.5 YARD TRASH BIN 4x/week PICK-UP	\$358.32	\$323.61	\$57.11	\$380.72
1.5 YARD TRASH BIN 5x/week PICK-UP	\$440.45	\$397.78	\$70.20	\$467.98
1.5 YARD TRASH BIN 6x/week PICK-UP	\$522.58	\$471.96	\$83.29	\$555.25
1.5 YARD TRASH BIN 7x/week PICK-UP	\$619.01	\$559.04	\$98.65	\$657.69
1ST EXTRA PICK-UP	\$84.79	\$76.58	\$13.51	\$90.09
2ND EXTRA PICK-UP @ SAME TIME	\$46.66	\$42.14	\$7.44	\$49.58
1.5 YARD MANURE BIN 1x/week PICK-UP	\$123.43	\$111.47	\$19.67	\$131.14
1.5 YARD MANURE BIN 2x/week PICK-UP	\$217.06	\$196.03	\$34.59	\$230.62
1.5 YARD MANURE BIN 3x/week PICK-UP	\$310.69	\$280.59	\$49.52	\$330.11
1.5 YARD MANURE BIN 4x/week PICK-UP	\$404.32	\$365.15	\$64.44	\$429.59
1.5 YARD MANURE BIN 5x/week PICK-UP	\$497.95	\$449.71	\$79.36	\$529.07
1.5 YARD MANURE BIN 6x/week PICK-UP	\$591.58	\$534.27	\$94.28	\$628.55
1.5 YARD MANURE BIN 7x/week PICK-UP	\$699.51	\$631.74	\$111.48	\$743.22
1ST EXTRA PICK-UP	\$96.99	\$87.59	\$15.46	\$103.05
2ND EXTRA PICK-UP @ SAME TIME	\$96.99	\$87.59	\$15.46	\$103.05
2 YARD TRASH BIN 1x/week PICK-UP	New Rate	\$139.04	\$24.54	\$163.58
2 YARD TRASH BIN 2x/week PICK-UP	New Rate	\$232.28	\$40.99	\$273.27
2 YARD TRASH BIN 3x/week PICK-UP	New Rate	\$325.52	\$57.44	\$382.96
2 YARD TRASH BIN 4x/week PICK-UP	New Rate	\$418.76	\$73.90	\$492.66
2 YARD TRASH BIN 5x/week PICK-UP	New Rate	\$512.00	\$90.35	\$602.35
2 YARD TRASH BIN 6x/week PICK-UP	New Rate	\$605.24	\$106.81	\$712.05
2 YARD TRASH BIN 7x/week PICK-UP	New Rate	\$709.45	\$125.20	\$834.65
1ST EXTRA PICK-UP	New Rate	\$76.58	\$13.51	\$90.09
2ND EXTRA PICK-UP @ SAME TIME	New Rate	\$42.14	\$7.44	\$49.58
3 YARD TRASH BIN 1x/week PICK-UP	\$181.12	\$163.57	\$26.87	\$192.44
3 YARD TRASH BIN 2x/week PICK-UP	\$302.58	\$273.27	\$48.22	\$321.49
3 YARD TRASH BIN 3x/week PICK-UP	\$424.04	\$382.96	\$67.58	\$450.54
3 YARD TRASH BIN 4x/week PICK-UP	\$545.50	\$492.65	\$86.94	\$579.59
3 YARD TRASH BIN 5x/week PICK-UP	\$666.96	\$602.35	\$106.30	\$708.65
3 YARD TRASH BIN 6x/week PICK-UP	\$788.42	\$712.04	\$125.65	\$837.69
3 YARD TRASH BIN 7x/week PICK-UP	\$924.18	\$834.65	\$147.29	\$981.94
1ST EXTRA PICK-UP	\$84.79	\$76.58	\$13.51	\$90.09
2ND EXTRA PICK-UP @ SAME TIME	\$46.66	\$42.14	\$7.44	\$49.58
3 YARD MANURE BIN 1x/week PICK-UP	\$195.79	\$176.82	\$31.20	\$208.02
3 YARD MANURE BIN 2x/week PICK-UP	\$331.92	\$299.77	\$52.90	\$352.67
3 YARD MANURE BIN 3x/week PICK-UP	\$468.05	\$422.71	\$74.60	\$497.31
3 YARD MANURE BIN 4x/week PICK-UP	\$604.18	\$545.65	\$96.29	\$641.94
3 YARD MANURE BIN 5x/week PICK-UP	\$740.31	\$668.59	\$117.99	\$786.58
3 YARD MANURE BIN 6x/week PICK-UP	\$876.44	\$791.53	\$139.68	\$931.21

EXHIBIT D: INITIAL MAXIMUM RATES

3 YARD TEMP CONSTRUCTION BIN 1x/week PICK-UP	\$232.94	\$210.37	\$37.12	\$247.49
3 YARD TEMP CONSTRUCTION BIN 2x/week PICK-UP	\$360.11	\$325.22	\$57.39	\$382.61
3 YARD TEMP CONSTRUCTION BIN 3x/week PICK-UP	\$487.28	\$440.07	\$77.66	\$517.73
3 YARD TEMP CONSTRUCTION BIN 4x/week PICK-UP	\$614.45	\$554.93	\$97.93	\$652.86
3 YARD TEMP CONSTRUCTION BIN 5x/week PICK-UP	\$741.62	\$669.78	\$118.20	\$787.98
3 YARD TEMP CONSTRUCTION BIN 6x/week PICK-UP	\$868.79	\$784.63	\$138.46	\$923.09
3 YARD TEMP CONSTRUCTION BIN 7x/week PICK-UP	\$1,010.26	\$912.39	\$161.01	\$1,073.40
1ST EXTRA PICK-UP	\$127.17	\$114.85	\$20.27	\$135.12
2ND EXTRA PICK-UP @ SAME TIME	\$127.17	\$114.85	\$20.27	\$135.12
3 YARD COMPACTED BIN 1x/week PICK-UP	\$266.27	\$240.48	\$42.44	\$282.92
3 YARD COMPACTED BIN 2x/week PICK-UP	\$481.71	\$435.04	\$76.77	\$511.81
3 YARD COMPACTED BIN 3x/week PICK-UP	\$697.15	\$629.61	\$111.11	\$740.72
3 YARD COMPACTED BIN 4x/week PICK-UP	\$912.59	\$824.18	\$145.44	\$969.62
3 YARD COMPACTED BIN 5x/week PICK-UP	\$1,128.03	\$1,018.75	\$179.78	\$1,198.53
3 YARD COMPACTED BIN 6x/week PICK-UP	\$1,343.47	\$1,213.32	\$214.12	\$1,427.44
3 YARD COMPACTED BIN 7x/week PICK-UP	\$1,573.21	\$1,420.81	\$250.73	\$1,671.54
1ST EXTRA PICK-UP	\$142.89	\$129.05	\$22.77	\$151.82
2ND EXTRA PICK-UP @ SAME TIME	\$142.89	\$129.05	\$22.77	\$151.82
4 YARD TRASH BIN 1x/week PICK-UP	New Rate	\$188.11	\$33.20	\$221.31
4 YARD TRASH BIN 2x/week PICK-UP	New Rate	\$314.26	\$55.46	\$369.72
4 YARD TRASH BIN 3x/week PICK-UP	New Rate	\$440.41	\$77.72	\$518.13
4 YARD TRASH BIN 4x/week PICK-UP	New Rate	\$566.55	\$99.98	\$666.53
4 YARD TRASH BIN 5x/week PICK-UP	New Rate	\$692.70	\$122.24	\$814.94
4 YARD TRASH BIN 6x/week PICK-UP	New Rate	\$818.85	\$144.50	\$963.35
4 YARD TRASH BIN 7x/week PICK-UP	New Rate	\$959.85	\$169.38	\$1,129.23
6 YARD TRASH BIN 1x/week PICK-UP	New Rate	\$327.15	\$57.73	\$384.88
6 YARD TRASH BIN 2x/week PICK-UP	New Rate	\$546.54	\$96.45	\$642.99
6 YARD TRASH BIN 3x/week PICK-UP	New Rate	\$765.92	\$135.16	\$901.08
6 YARD TRASH BIN 4x/week PICK-UP	New Rate	\$985.31	\$173.88	\$1,159.19
6 YARD TRASH BIN 5x/week PICK-UP	New Rate	\$1,204.70	\$212.59	\$1,417.29
6 YARD TRASH BIN 6x/week PICK-UP	New Rate	\$1,424.08	\$251.31	\$1,675.39
6 YARD TRASH BIN 7x/week PICK-UP	New Rate	\$1,669.30	\$294.58	\$1,963.88
8 YARD TRASH BIN 1x/week PICK-UP	New Rate	\$376.22	\$66.39	\$442.61
8 YARD TRASH BIN 2x/week PICK-UP	New Rate	\$628.52	\$110.91	\$739.43
8 YARD TRASH BIN 3x/week PICK-UP	New Rate	\$880.81	\$155.44	\$1,036.25
8 YARD TRASH BIN 4x/week PICK-UP	New Rate	\$1,133.11	\$199.96	\$1,333.07
8 YARD TRASH BIN 5x/week PICK-UP	New Rate	\$1,385.40	\$244.48	\$1,629.88
8 YARD TRASH BIN 6x/week PICK-UP	New Rate	\$1,637.70	\$289.01	\$1,926.71
8 YARD TRASH BIN 7x/week PICK-UP	New Rate	\$1,919.70	\$338.77	\$2,258.47

**EXHIBIT D:
INITIAL MAXIMUM RATES**

COMMERCIAL/MULTI-FAMILY/INDUSTRIAL RECYCLE RATES	Current Rate	² Collection Component (85%)	² Disposal Component (15%)	² Proposed Adjusted Rate
65 GALLON RECYCLE CART 1x/week PICK-UP	New Rate	\$51.00	\$9.00	\$60.00
Additional per tip frequency	New Rate	\$51.00	\$9.00	\$60.00
96 GALLON RECYCLE CART 1x/week PICK-UP	New Rate	\$51.00	\$9.00	\$60.00
Additional per tip frequency	New Rate	\$51.00	\$9.00	\$60.00
2 YARD RECYCLE BIN 1x/week PICK-UP	New Rate	\$95.14	\$16.79	\$111.93
Additional per tip frequency	New Rate	\$95.14	\$16.79	\$111.93
3 YARD RECYCLE BIN 1x/week PICK-UP	\$152.81	\$136.38	\$24.07	\$160.45
Additional per tip frequency	\$152.81	\$136.38	\$24.07	\$160.45
4 YARD RECYCLE BIN 1x/week PICK-UP	New Rate	\$159.89	\$28.22	\$188.11
Additional per tip frequency	New Rate	\$159.89	\$28.22	\$188.11
3 YARD SPLIT BIN (no additional lock fee or installation)	New Rate	\$206.93	\$36.52	\$243.45
Additional per tip frequency	New Rate	\$206.93	\$36.52	\$243.45
COMMERCIAL RECYCLE BIN CONTAMINATION FEE per occurrence	New Rate	\$98.85	\$17.44	\$116.29
COMMERCIAL RECYCLE CART CONTAMINATION FEE per occurrence	New Rate	\$49.44	\$8.72	\$58.16
COMMERCIAL/MULTI-FAMILY/INDUSTRIAL ORGANIC WASTE RATES	Current Rate	² Collection Component (85%)	² Disposal Component (15%)	² Proposed Adjusted Rate
35 Gallon Cart 1x/week PICK-UP	\$41.26	\$35.07	\$6.19	\$41.26
35 Gallon Cart 2x/week PICK-UP	\$82.52	\$70.14	\$12.38	\$82.52
35 Gallon Cart 3x/week PICK-UP	\$123.78	\$105.21	\$18.57	\$123.78
65 Gallon Cart 1x/week PICK-UP	\$65.19	\$55.41	\$9.78	\$65.19
65 Gallon Cart 2x/week PICK-UP	\$130.37	\$110.81	\$19.55	\$130.36
65 Gallon Cart 3x/week PICK-UP	\$195.56	\$166.23	\$29.33	\$195.56
2 YARD BIN 1x/week PICK-UP	\$348.61	\$296.32	\$52.29	\$348.61
2 YARD BIN 2x/week PICK-UP	\$697.21	\$592.63	\$104.58	\$697.21
2 YARD BIN 3x/week PICK-UP	\$1,045.82	\$888.95	\$156.87	\$1,045.82
ORGANIC BIN NON-SCHEDULE ADDITIONAL PICK-UPS	New Rate	\$296.32	\$52.29	\$348.61
ORGANIC CART NON-SCHEDULE ADDITIONAL PICK-UPS	New Rate	\$35.07	\$6.19	\$41.26
ORGANIC BIN CONTAMINATION FEE per occurrence	\$116.29	\$98.85	\$17.44	\$116.29
ORGANIC CART CONTAMINATION FEE per occurrence	\$58.16	\$49.44	\$8.72	\$58.16

**EXHIBIT D:
INITIAL MAXIMUM RATES**

COMMERCIAL/MULTI-FAMILY/INDUSTRIAL SPECIAL SERVICES	Current Rate	²Collection Component (85%)	²Disposal Component (15%)	²Proposed Adjusted Rate
Pull out service (Charge applicable when container must be moved more than 25ft)	\$71.94	\$64.97	\$11.47	\$76.44
Additional per tip frequency	\$71.94	\$64.97	\$11.47	\$76.44
Lock latch (For any bin with lockbar other than split bin)	\$2.71	\$2.45	\$0.43	\$2.88
Additional per tip frequency	\$2.71	\$2.45	\$0.43	\$2.88
Redeliver Bin (due to non-payment)	\$101.78	\$91.92	\$16.22	\$108.14
Lock latch Bin one time installation fee (For all lock latch except split Bin)	\$120.81	\$109.10	\$19.25	\$128.35
SUR-CHARGE FOR 7x/week (Sunday Service)	\$14.75	\$13.32	\$2.35	\$15.67
SUR-CHARGE FOR LESS THAN 7x/week (Sunday Service)	\$41.52	\$37.50	\$6.62	\$44.12
NON-SCHEDULE ADDITIONAL PICK-UPS				
1st BIN PICK-UP (1.5 & 3 YARD BIN)	\$84.79	\$76.58	\$13.51	\$90.09
EACH ADDITIONAL @ SAME TIME	\$46.66	\$42.14	\$7.44	\$49.58
ALL ADDITIONAL MANURE BIN PICK-UPS	\$96.99	\$87.59	\$15.46	\$103.05
ALL ADDITIONAL COMPACTED BIN PICK-UPS	\$142.89	\$129.05	\$22.77	\$151.82
BIN OVERAGE "OVER THE TOP" - Each Occurrence	\$47.31	\$55.25	\$9.75	\$65.00
BIN EXCHANGE IN EXCESS OF 1 PER/YEAR	\$101.37	\$91.55	\$16.16	\$107.71
SPECIAL ACCESS REQUIRED - CODE OR KEY	\$13.51	\$12.20	\$2.15	\$14.35
(Rate x Weekly Tip Frequency - Billed Monthly)				
COMMERCIAL CONTAINER STEAM CLEANING (container exchanged)	\$135.14	\$122.05	\$21.54	\$143.59
COMMERCIAL BULKY-ITEM COLLECTION				
Bulky item pickups (no limit); max 20 items per collection	\$61.06	\$55.14	\$9.73	\$64.87
Charge for Each Item Over 20 per Collection	\$8.12	\$7.33	\$1.29	\$8.62
Additional Fee Required for Gas Recovery	\$78.12	\$70.55	\$12.45	\$83.00

**EXHIBIT D:
INITIAL MAXIMUM RATES**

INDUSTRIAL SPECIAL SERVICES	Current Rate	² Collection Component (85%)	² Disposal Component (15%)	² Proposed Adjusted Rate
PERMANENT 30 YARD ROLL-OFF - Min 4 PICK-UPS per/Month	\$2,546.69	\$2,390.29	\$421.82	\$2,812.11
ADDITIONAL PICK-UP - PERM 30 YARD ROLL-OFF	\$661.67	\$597.57	\$105.45	\$703.02
PERMANENT 15 YARD DEMO BOX - Min 4 PICK-UPS per/Month	\$2,819.48	\$2,546.34	\$449.35	\$2,995.69
ADDITIONAL PICK-UP - PERM 15 YARD DEMO	\$704.87	\$636.59	\$112.34	\$748.93
PERMANENT 40 YARD PACKER - Each PICK-UP	\$825.04	\$745.11	\$131.49	\$876.60
TEMPORARY 30 YARD ROLL-OFF BOX THREE DAYS - 1 EMPTY	\$663.40	\$599.13	\$105.73	\$704.86
TEMPORARY 30 YARD ROLL-OFF BOX - Yardwaste	\$625.25	\$564.68	\$99.65	\$664.33
TEMPORARY 15 YARD DEMO BOX THREE DAYS - 1 EMPTY	\$766.18	\$691.96	\$122.11	\$814.07
SURCHARGE OVER 8 TONS PER LOAD	\$62.46	\$56.41	\$9.95	\$66.36
CONTAINER MONTHLY RENTALS				
THREE (3) YARD BIN	\$67.58	\$61.03	\$10.77	\$71.80
TILT HOPPER	\$52.72	\$47.61	\$8.40	\$56.01
STORAGE CONTAINER	\$106.76	\$96.42	\$17.01	\$113.43
STORAGE BOX DELIVERY	No Charge			No Charge
STORAGE BOX RETURN - (RATE + \$1.00 PMILE)	\$13.76	\$12.43	\$2.19	\$14.62
PACKER UNIT - "TURN-A-ROUND" REQUIRED (Surcharge per Pull)	\$13.76	\$12.43	\$2.19	\$14.62
RELOCATION FEE / TRIP CHARGE "DEAD RUN"	\$65.21	\$58.89	\$10.39	\$69.28
SATURDAY SERVICE - PER LOAD	\$40.74	\$36.79	\$6.49	\$43.28
TEMP ROLL-OFF CONTAINER RENTAL (In Excess of Seven (7) Days w/o an Exchange)	\$16.35	\$14.77	\$2.61	\$17.38
DRIVER & TRUCK STAND-BY HOURLY RATE (Two (2) Hour Minimum Charge)	\$102.79	\$92.83	\$16.38	\$109.21
HEAVY-DUTY ROLL-OFF TRUCK - PER LOAD (Surcharge in Excess of Standard Rates - Overweight)	\$473.07	\$427.24	\$75.40	\$502.64
MANDATORY SIGNATURE REQUIREMENT (Surcharge per Roll-Off or Packer Exchange)	\$6.74	\$6.09	\$1.07	\$7.16
BREA OLINDA SCHOOL DISTRICT	Current Rate	² Collection Component (85%)	² Disposal Component (15%)	² Proposed Adjusted Rate
MONTHLY COMMERCIAL RATES				
3 YARD BIN 1x/week PICK-UP	\$117.46	\$106.08	\$18.72	\$124.80
ADDITIONAL PICK-UP 3 YARD BIN	\$85.56	\$77.27	\$13.64	\$90.91

**EXHIBIT D:
INITIAL MAXIMUM RATES**

- 1 City Utility, Collection Component, and Disposal Component make up the Proposed Adjusted Rate for Single Family Residential.
- 2 Collection Component and Disposal Component make up the Proposed Adjusted Rate for Commercial/Multi-Family/Industrial.

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EXHIBIT E:
EXAMPLE RATE ADJUSTMENT FORMULA

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EXHIBIT E: EXAMPLE RATE ADJUSTMENT FORMULA

Example Residential Rate Adjustment Calculation

All percentages are rounded to four (4) decimal places and all currency is rounded to nearest \$0.01.

Step One: Calculate percentage change in indices.

Row	Adjustment Factor	Index	A	B	C
			Old Index Value	New Index Value	Percent Change in Index ((Column B + Column A) - 1)
1	Collection	(1)			3.85%
2	Disposal	(2)	\$41.31	\$42.65	3.24%

Step Two: Determine weighted percentage change in rates.

Row	Adjustment Factor	Index	D	E	F
			Cost Factor Category Weighted as a % of Component Total (3)	Percent Change in Index (From Column C)	Total Weighted Change (Column D x Column E)
3	Collection	(1)	85.00%	3.85%	3.11%
4	Disposal	(2)	15.00%	3.24%	0.46%
5	Total		100.00%		3.60%

Step Three: Apply percentage change to rates.

Row	Example Residential Contractor Rate Category (4)	Example Republic Rates based on July 1, 2024 Rates before City Maintenance Service Costs and Recycling Rebate	Total Weighted Percentage Change (From Column F, Row 5)	Rate Increase or (Decrease) (Column G x Column H)	J			
					J1	J2	J3	J4
					Adjusted Rate before City Maintenance Service Costs and Recycling Rebate (Column G + Column I)	City Maintenance Service Cost ¹	Residential Recycling Revenue Rebate	Total Customer Rate with City Maintenance Service Cost and Recycling Rebate (Column J1 + J2 + J3)
6	Standard cart service (3 material streams) ²	\$26.13	3.60%	\$0.94	\$27.07	\$1.96	(\$0.29)	\$28.74
7	Additional refuse cart(s) - Each	\$13.15	3.60%	\$0.47	\$13.62			\$13.62
8	Additional organic materials Cart(s) - Each	\$8.04	3.60%	\$0.27	\$8.29			\$8.29
9	Roll-out service	\$14.01	3.60%	\$0.50	\$14.51			\$14.51
10	Cart exchange	\$45.99	3.60%	\$1.65	\$47.64			\$47.64
11	Cart replacement (customer mis-use)	\$91.38	3.60%	\$3.33	\$94.71			\$94.71
12	Extra dump - All 3 material streams	\$29.74	3.60%	\$1.07	\$30.81			\$30.81
13	Additional bulky good pickup - after limit exceeded	\$57.55	3.60%	\$2.07	\$59.62			\$59.62

Step Four: Recalculate cost component weightings for next rate adjustment.

Row	Adjustment Factor	K	L	M	N	O
		Cost Component (From Column D)	Percent Change in Index (From Column E)	Change in Cost Component Weightings (Column K x Column L)	Adjusted Cost Component Weightings (Column K + Column M)	Cost Components Reweighted to Equal 100% (Column N Row + Column O Total)
14	Collection	85.00%	3.85%	3.11%	88.11%	87.05%
15	Disposal	15.00%	3.24%	0.46%	15.46%	13.95%
16	Total	100.00%			103.57%	100.00%

¹Rate to include City Maintenance Service Costs per home per month. City to provide to Contractor on annual basis.

²Insert current residential rate including prior recycling rebate from prior year calculations Column J3. Example based on July 1, 2024 Contractor rate of \$25,84450.29 = \$26.13.

(1) The increase or decrease will be for the change in the weighted average annual change per Exhibit E-3 for agreement years 2 through 3 and thereafter will be calculated using the average annual change in the GTC. The percentage change will be based on the average annual published GTC (CUUR0000SEM02) between the twelve (12) months ended December prior to the rate adjustment date, and the twelve (12) months ended the prior December.

(2) Actual change based on Waste Disposal Agreement with Orange County Waste and Recycling for July 1.

(3) The first year weightings are based on percentages included in Section 9.4.2. When the first adjustment is calculated, the resulting re-weightings in column "O" will be used as the new weightings for the following year adjustments.

(4) The example rate categories shown are not all inclusive.

EXHIBIT E: EXAMPLE RATE ADJUSTMENT FORMULA

Example Commercial Rate Adjustment Calculation

All percentages are rounded to four (4) decimal places and all currency is rounded to nearest \$0.01

Step One: Calculate percentage change in indices.

Row	Adjustment Factor	Index	A	B	C
			Old Index Value	New Index Value	Percent Change in Index ((Column B + Column A) - 1)
1	Collection	(1)			4.48%
2	Disposal	(2)	\$41.31	\$42.65	3.24%

Step Two: Determine weighted percentage change in rates.

Row	Adjustment Factor	Index	D	E	F
			Cost Factor Category Weighted as a % of Component Total (3)	Percent Change in Index (From Column C)	Total Weighted Change (Column D x Column E)
3	Collection	(1)	85.00%	4.48%	3.81%
4	Disposal	(2)	15.00%	3.24%	0.49%
5	Total		100.00%		4.30%

Step Three: Apply percentage change to rates.

Row	Example Commercial/ Industrial Contractor Rate Category (4)	G	H	I	J
		Example Republic Rates based on July 1, 2024 Rates	Total Weighted Percentage Change (From Column F, Row 5)	Rate Increase or Decrease (Column G x Column H)	Adjusted Rate (Column G + Column I)
6	Commercial 68-gallon recycling cart 1x/wk*	\$60.00	4.30%	\$2.58	\$62.58
7	Commercial 68-gallon trash cart - per cart	\$41.28	4.30%	\$1.77	\$43.03
8	Commercial trash 3 CY bin 1x/wk	\$181.12	4.30%	\$7.79	\$188.91
9	Commercial trash 3 CY bin - additional pickup	\$121.48	4.30%	\$5.22	\$126.68
10	Commercial recycling 3 CY bin - additional frequency	\$152.81	4.30%	\$6.57	\$159.38
11	Commercial 84-gallon organic materials cart 1x/wk	\$65.19	4.30%	\$2.80	\$67.99
12	Loading latch - per tip frequency	\$2.71	4.30%	\$0.12	\$2.83
13	Industrial - permanent 30 yard roll-off (8 ton limit)	\$2,648.00	4.30%	\$113.81	\$2,760.50

Step Four: Recalculate cost component weightings for next rate adjustment.

Row	Adjustment Factor	K	L	M	N	O
		Cost Component (From Column D)	Percent Change in Index (From Column E)	Change in Cost Component Weightings (Column K x Column L)	Adjusted Cost Component Weightings (Column K + Column M)	Cost Components Reweighted to Equal 100% (Column N Row + Column N Total)
14	Collection	85.00%	4.48%	3.81%	88.81%	85.15%
15	Disposal	15.00%	3.24%	0.49%	15.49%	14.85%
16	Total	100.00%			104.3%	100.00%

*New agreement service rate included for example purposes only.

(1) The increase or decrease will be for the change in the weighted average annual change per Exhibit E-3 and year 2 will be calculated using the average annual change in the GTCI. The percentage change will be based on the average annual published GTCI (CUUR0000SEHG02), between the twelve (12) months ended December prior to the rate adjustment date, and the twelve (12) months ended the prior December.

(2) Actual change based on Waste Disposal Agreement with Orange County Waste and Recycling for July 1

(3) The first year weightings are based on percentages included in Section 9.4.2. When the first adjustment is calculated, the resulting re-weightings in column "O" will be used as the new weightings for the following year adjustments.

(4) The rate categories shown are not all inclusive

**EXHIBIT E:
EXAMPLE RATE ADJUSTMENT FORMULA**

Collection Component Stair Step

Provided for Example Purposes Only. Calculations will need to be performed annually.

_____: Included for Example Calculations Only

Residential Collection Component Stair Step					
Year	CPI Weights	GTCI Weight	CPI Change (From E-4)	GTCI Change (From E-4)	Weighted Change* (1)
2	70%	30%	3.30%	4.48%	3.65%
3	50%	50%	3.30%	4.48%	3.89%
4	30%	70%	3.30%	4.48%	4.13%
5, Through Term	0%	100%	3.30%	4.48%	4.48%

Commercial/Industrial Collection Component Stair Step					
Year	CPI Weights	GTCI Weight	CPI Change (From E-4)	GTCI Change (From E-4)	Weighted Change** (1)
2, Through Term	0%	100%	3.30%	4.48%	4.48%

*Residential weighted change to be utilized in Step 1 on Exhibit E-1.

**Commercial/Industrial weighted change to be utilized in Step 1 on Exhibit E-2.

(1) Calculation: (CPI Weight X CPI Change) + (GTCI Weight X GTCI Change)

EXHIBIT E: EXAMPLE RATE ADJUSTMENT FORMULA

Collection Indices
CPI for All Urban Consumers
Original Data Value
Pulled from BLS website.
Series Id: CUURS49ASAO
Not Seasonally Adjusted
Series Title: All Items in Los Angeles-Long Beach-Anaheim CA, all urban consumers, not seasonally adjusted
Area: Los Angeles-Long Beach-Anaheim, CA
Item: All Items
Base Period: 1962-
Years: 2007 to 2022

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual	HALF1	HALF2
2014	239.857	241.059	242.491	242.437	243.362	243.528	243.727	243.556	243.623	243.341	241.753	240.475	242.424	242.122	242.746
2015	239.724	241.297	243.736	243.869	246.093	245.459	247.066	246.328	245.431	246.612	245.711	245.357	244.632	243.313	245.951
2016	247.155	247.113	247.873	246.366	249.554	249.789	249.784	249.700	250.145	251.098	250.185	250.189	249.246	248.309	250.184
2017	252.373	253.815	254.525	254.971	255.674	255.275	256.023	256.739	257.890	258.863	259.135	259.220	258.210	254.439	257.982
2018	261.235	263.012	264.158	265.055	266.148	265.522	266.007	266.665	268.032	269.462	268.540	267.531	265.962	264.195	267.730
2019	269.468	269.608	271.311	273.945	274.479	274.380	274.652	274.579	276.054	278.075	277.230	275.553	274.114	272.199	276.030
2020	277.758	278.657	278.549	275.853	276.842	278.121	279.859	280.116	279.366	279.947	280.102	279.580	278.567	277.303	278.822
2021	280.178	281.347	282.648	285.608	287.620	289.219	290.890	291.333	292.209	294.961	296.790	297.525	289.244	284.470	294.018
2022	301.209	302.164	306.879	306.302	310.849	314.072	313.415	313.608	315.033	317.014	314.633	312.401	310.782	307.178	314.354
2023	318.591	317.571	317.873	320.069	320.514	322.055	321.931	324.050	324.864	324.545	323.341	323.456	321.583	318.449	323.718
2024	326.640	328.232	329.671	332.572	332.956	332.257	332.926	333.359	334.123	334.242	333.716	334.431	332.194	330.571	333.817

Year 1 Annual Average 321.583
Year 2 Annual Average 332.194
Percent Change Calculation 3.30%

GTCI - Consumer Price Index for Garbage and Trash Collection
Original Data Value
Pulled from BLS website.
Series Id: CUUR000SEHG02 CUUS0000SEHG02
Not Seasonally Adjusted
Series Title: Garbage and trash collection in U.S. city average, all urban consumers, not seasonally adjusted
Area: U.S. city average
Item: Garbage and trash collection
Base Period: DECEMBER 1983=100
Years: 2010 to 2024

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual	HALF1	HALF2
2010	380.036	382.490	383.362	383.615	383.405	383.749	383.632	385.010	385.920	385.909	387.216	387.984	384.369		
2011	389.727	391.854	391.855	392.754	395.477	395.329	395.723	396.605	397.028	397.106	398.910	398.720	395.091		
2012	398.680	400.381	401.692	400.913	401.067	402.793	406.243	406.823	407.594	409.495	410.155	410.416	404.704		
2013	411.126	411.805	412.305	413.675	414.511	414.802	416.505	417.760	418.357	419.687	421.427	422.237	416.163		
2014	422.440	422.483	423.413	425.393	425.242	425.930	426.562	426.771	427.327	427.995	427.808	426.187	425.796		
2015	427.734	429.248	429.235	429.607	431.234	430.813	431.229	432.967	433.843	434.829	436.428	436.896	432.030		
2016	437.205	438.299	437.699	437.676	438.317	437.858	436.607	439.359	439.707	440.311	443.343	444.745	439.427		
2017	446.266	447.699	446.987	447.126	447.272	448.046	448.328	448.717	449.008	452.196	453.620	453.596	449.089		
2018	453.354	454.515	455.230	455.722	462.537	465.041	465.379	470.457	471.026	472.535	486.650	485.935	486.861	458.356	475.364
2019	475.657	477.474	478.569	479.449	480.895	480.954	482.135	483.937	484.346	486.133	485.485	486.708	481.902	475.636	484.965
2020	491.003	494.429	495.288	494.432	494.946	495.679	498.554	500.882	501.755	503.315	504.970	508.190	495.705	494.463	502.646
2021	512.722	517.270	516.505	518.579	516.440	517.202	521.185	524.408	529.934	530.114	529.053	532.536	522.329	516.786	527.872
2022	532.075	535.712	540.773	542.564	544.546	547.554	548.187	548.706	553.254	561.090	563.816	565.185	549.334	541.129	557.540
2023	570.412	575.697	576.773	580.124	587.431	589.812	595.167	597.347	598.997	597.569	601.631	602.164	589.344	580.042	598.646
2024	606.773	610.551	610.015	611.073	609.538	611.946	614.059	615.88	619.64	621.632	627.807	629.803	615.729	609.983	621.029

Year 1 Annual Average 589.344
Year 2 Annual Average 615.729
Percent Change Calculation 4.46%

Disposal Index
Garbage for Orange County Waste and Recycling WDA as of July 1st.

Year 1	\$ 41.31 Effective 7/1/2023
Year 2	\$ 42.65 Effective 7/1/2024

EXHIBIT E: EXAMPLE RATE ADJUSTMENT FORMULA

Example based on July 1, 2024 Residential Recycling Revenue Sharing Calculation submitted by Contractor.

Guidance Note: Each year a new 5-year average will need to be calculated to determine the residential recycling revenue credit based on the average of the most recent 5 years.

Insert Calendar Year for Calculations: 2023

Row	Year	Historical Recycling Credit Annual Calculation	Note
1	2000	\$0.919	Historical data from 7/1/2024 rate adjustment.
2	2001	\$1.054	Historical data from 7/1/2024 rate adjustment.
3	2002	\$0.765	Historical data from 7/1/2024 rate adjustment.
4	2003	\$0.982	Historical data from 7/1/2024 rate adjustment.
5	2004	\$1.114	Historical data from 7/1/2024 rate adjustment.
6	2005	\$1.142	Historical data from 7/1/2024 rate adjustment.
7	2006	\$1.097	Historical data from 7/1/2024 rate adjustment.
8	2007	\$1.064	Historical data from 7/1/2024 rate adjustment.
9	2008	\$1.643	Historical data from 7/1/2024 rate adjustment.
10	2009	\$1.343	Historical data from 7/1/2024 rate adjustment.
11	2010	\$0.681	Historical data from 7/1/2024 rate adjustment.
12	2011	\$1.132	Historical data from 7/1/2024 rate adjustment.
13	2012	\$1.405	Historical data from 7/1/2024 rate adjustment.
14	2013	\$0.966	Historical data from 7/1/2024 rate adjustment.
15	2014	\$0.877	Historical data from 7/1/2024 rate adjustment.
16	2015	\$0.708	Historical data from 7/1/2024 rate adjustment.
17	2016	\$0.217	Historical data from 7/1/2024 rate adjustment.
18	2017	\$0.247	Historical data from 7/1/2024 rate adjustment.
19	2018	-\$0.009	Historical data from 7/1/2024 rate adjustment.
20	2019	\$0.171	Historical data from 7/1/2024 rate adjustment.
21	2020	\$0.642	Historical data from 7/1/2024 rate adjustment.
22	2021	\$0.613	Historical data from 7/1/2024 rate adjustment.
23	2022	\$0.026	Historical data from 7/1/2024 rate adjustment.
24	2023	\$0.000	Historical data from 7/1/2024 rate adjustment.
25	5 Year Average for Calendar Years 2019 through 2023	\$0.29	Calculation: Sum most recent 5 years divided by 5. Amount carries forward as credit to Exhibit E-1.

Month	50% of Republic Recycling Income for the Month	Number of Residential Units	Recycling Income/Unit	Notes
January	\$0.00	11,246	\$0.000	
February	\$0.00	11,244	\$0.000	
March	\$0.00	11,217	\$0.000	
April	\$0.00	11,231	\$0.000	
May	\$0.00	11,270	\$0.000	
June	\$0.00	11,256	\$0.000	
July	\$0.00	11,340	\$0.000	
August	\$0.00	11,270	\$0.000	
September	\$0.00	11,234	\$0.000	
October	\$0.00	11,272	\$0.000	
November	\$0.00	11,231	\$0.000	
December	\$0.00	11,257	\$0.000	
Annual Average	\$0.00	11,256	\$0.000	Amount to be added annually. In inserting row, to Table 1

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**EXHIBIT F:
REPORTING REQUIREMENTS**

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EXHIBIT F REPORTING REQUIREMENTS

Records shall be maintained in forms and by methods that are agreed to by both the Contractor and the City. The objectives of reports should be to :

1. Determine and set rates and evaluate the financial efficacy of operations.
2. Evaluate past and expected progress towards achieving Contractor's diversion goals and objectives.
3. Provide concise and comprehensive program information and metrics for use in fulfilling reporting requirements under applicable law.
4. Determine needs for adjustment to programs.
5. Evaluate customer service and complaints.
6. Determine customer compliance with AB 341, SB 1383, and any subsequent state-mandated recycling requirements.

1. Monthly Report Content

Monthly reports to be submitted by Contractor to City and include the following information pertaining to the most recently completed calendar month.. Contractor shall report the information included in the following subsections.

A. Tonnage Report.

1. Tonnage delivered to each approved facility by customer type, subtotaling and clearly identifying those tons that are diverted and those that are disposed.
2. Bulky goods collected by customer type.
3. Solid waste tonnage disposed.
5. Bulky goods marketed and tonnage disposed from non-divertible materials and processing residue.
6. Monthly diversion rate by customer type and in aggregate for all customer types.

B. Diversion Report. Contractor to report the diversion level for each month and the cumulative year-to-date diversion level, where diversion level shall be calculated as: (Discarded Materials Collected – Solid Waste Collected – Processing Residue Disposed) / Discarded Materials Collected.

C. Revenue Report. Provide a statement detailing gross receipts from all operations conducted or permitted pursuant to this Agreement.

D. Customer Subscription and Collection Report.

1. Summary of customer subscription data for Residential, Commercial, and Multi-Family customer types , shall include the following:

- a. Customer number
- b. Customer name
- c. Street address

EXHIBIT F REPORTING REQUIREMENTS

- d. Billing address
- e. All service information, including
 - i. Line of service (i. e. MSW, Organics, Recyclable Materials)
 - ii. quantity of Containers on site, with
 - iii. Day(s) of service by line of service
 - iv. Container size
- f. Service Contact Address, if available
- g. Service Contact Number if available
- h. Billing Contact Information if available
 - i. Name
 - ii. Address
 - iii. Phone Number

2. Number of bulky good/reusable materials collection events by customer type.

3. Number of customers subscribing to each City approved service exemption by customer type, including the total number of de minimis waivers and physical space constraint waivers granted in the month in accordance with Section 5.10 including the customer name and address for each waiver.

F. Customer Service Report.

- 1. List of customers for which Contractor has performed a courtesy pick-up collection, including the customer address for which the courtesy pick-up collection was performed.
- 2. Record of general customer service complaints received, including the following information:
 - a. Total number of complaints received.
 - b. When available, the information in the report should include: (i) a brief description of the complaint as received; (ii) the name and contact information of the complainant, if the complaint is not submitted anonymously; (iii) if complaint is regarding an SB 1383 violation and if the information is provided, the address of the alleged violator
 - c. Copies of all complaint reports submitted to City, pursuant to Article 7.
 - d. Documentation of any follow-up inspections and/or outreach, if any, conducted upon City request pursuant to Section 5.8.C, which shall include: (i) the date Contractor investigated the complaint; (ii) documentation of the findings of the investigation; and, (iii) any photographic or other evidence collected during the investigation.

EXHIBIT F

REPORTING REQUIREMENTS

G. Contamination Monitoring Report.

1. The number of route reviews conducted pursuant to Section 5.11.
2. Description of Contractor's process for determining the level of contamination or bin overfilling during route reviews. Contractor shall document the contamination and/or overfilling through use of film or digital photography.
3. A record of each inspection and contamination fee assessed, which shall include:
 - a. Name and address of the customer.
 - b. The date the contaminated container was observed.
 - c. The staff who conducted the inspection.
 - d. The total number of violations found and a description of what action was taken for each.
 - e. Copies of all notices to customers with prohibited container contaminants.
 - f. Photographic documentation.
4. Documentation of the total number of containers disposed of due to observation of prohibited container contaminants.
5. A list of all customers assessed contamination processing fees, reported separately by customer type, and including: the customer name, customer address, and reason for the assessment; the total number of instances contamination processing fees were assessed in the month; and, the total amount of fees collected in the month.
6. If performed, results of any waste characterization studies conducted pursuant to Exhibit B4, Section 6.

2. Quarterly Report Content

A. Education and Outreach.

1. A copy of all education and outreach materials provided to generators, or otherwise used for education and outreach efforts in accordance with Section 5.6 and Exhibit C, including flyers, brochures, newsletters, invoice messaging/billing inserts, and website and social media postings.
2. A record of the date and to whom the information was disseminated, or direct contact made, in the form of a list that includes the generator's name or account name, the type of education or outreach received; the distribution date, and the method of distribution.
3. For any mass distribution through mailings or bill inserts, provide a record of the date, a copy of the information distributed, and the type and number of accounts that received the information.
4. A copy of all electronic media, including the dates posted or sent of social media posts, e-mail communications, or other electronic messages. A summary report shall be provided for electronic marketing that itemizes each communication and reports performance metrics for

EXHIBIT F

REPORTING REQUIREMENTS

each that are relevant to that type of communication (e.g., open and click-through rates for email marketing, engagement numbers for social media).

5. Summary of the results of the diversion opportunity assessments, such as site visits and waste audits, provided to customers (reporting multi-family separate from commercial) by identifying the number of diversion opportunity assessments conducted each month in the most recently completed quarter and contact information including address, contact names, telephone number of persons contacted, number of dwelling units (for multi-family), and the recyclable materials, organic materials, and solid waste service level for each complex. Include any service level changes resulting from such visits.
6. Summary of the public education materials and activities provided to schools in the month, if any, including results from diversion opportunity assessments. as described in Exhibit C.
7. Dates, times, and group or event names of any site visits, meetings, and events attended in the month.

3. Annual Report Content

The annual report shall be the final monthly report, including annual totals, summary pages, and a compilation of any materials required by the monthly reports, plus the following additional information.

Provide a brief summary assessment of the programs performed under this Agreement from the Contractor's perspective. The assessment should include how well the program is operating in terms of efficiency and effectiveness in meeting the goals and objectives of this Agreement as they relate to SB 1383 compliance, particularly Contractor's diversion goals. Provide recommendations and plans to improve and highlight significant accomplishments and problems as they relate to this assessment.

B. Collection and Processing Report.

- . Written notification that the approved organic materials processing facility has and will continue to have the capabilities to process and recover the compostable plastics, in accordance with Section 5.1.I.

C. Education and Outreach Report.

1. A summary of the status of the annual education plan of the reporting year, including activities conducted and the quantitative and/or qualitative results of those activities.
2. The annual public education plan required by Section 5.6 and Exhibit C for the upcoming then-current calendar year. For example, Contractor submittal of a 2023 annual report in February 2024 shall include Contractor submittal of the annual public education plan for calendar year 2024.

D. Commercial Edible Food Generator Report. Commercial customer list including contact information requested by the City Manager and designation of each commercial customer as either "tier 1," "tier 2," or "non-covered" edible food generator.

E. City Services Report.

1. City facility volume report which reports on the cumulative volume by cubic yards for each service received at each City facility.

EXHIBIT F REPORTING REQUIREMENTS

F. Vehicle Inventory.

1. A list of all vehicles used in performing services under this Agreement including the license plate number, VIN, make, model, model year, purchase date, engine overhaul/rebuild date (if applicable), and mileage as of December 31.
2. The total amount of RNG procured by Contractor for use in Contractor vehicles, in diesel gallon equivalents, including copies of any receipts, invoices, or other similar documentation evidencing procurement. In addition to the amount procured, Contractor shall include the total amount actually used in Contractor vehicles in the calendar year, if these values are different.
3. The name, physical location, and contact information of each entity, operation, or facility from whom Contractor procured RNG for collection vehicles.

- G. AB 341/AB 1826 Compliance.** Provide a listing of commercial customers subscribing to four or more cubic yards of solid waste service per week who do not currently subscribe to recyclable materials collection service from Contractor.

Provide a listing of commercial customers subscribing to two or more cubic yards of solid waste service per week who do not currently subscribe to organic materials collection service from Contractor.

H. Other Reports.

1. A revenue statement, setting forth quarterly AB 939 administrative fees, if any, and the basis for the calculation thereof, certified for accuracy by an officer of Contractor.
2. A list of Contractor's officers and members of its board of directors.
3. A list of stockholders or other equity investors holding 5% or more of the voting interest in Contractor and any subsidiaries.

4. Additional Reports

- A. Ad Hoc Reports.** Contractor shall provide up to six reports, in which each report shall be provided in a single format, of which the format type maybe either PDF a word processing format such as Microsoft Word; or a spreadsheet format such as Microsoft Excel.
- B. Upon Incident Reporting.** City may request additional reports or documents in the case of unforeseen events or additional requirements imposed upon City. Contractor should provide the requested reports, documents, or information within a timeframe agreed to between the City Manager and the Contractor.
- C. AB 901 Reporting.** City may require that Contractor provide City copies of Contractor's AB 901 reports on a regular basis (such as monthly, quarterly, or annually) or within 10 business days of the request.

**EXHIBIT G:
CORPORATE GUARANTY**

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EXHIBIT G CORPORATE GUARANTY

THIS GUARANTY ("Guaranty") is made as of 03/13/2025, 2025, by **Republic Services, Inc.**, a Delaware corporation ("Guarantor"), located at 18500 N. Allied Way Phoenix, AZ 85054, for the benefit of the **CITY OF BREA**, a California municipal corporation ("City"), located at 1 Civic Center Circle, Brea, California, 92821. The purpose of this Guaranty is to assure performance of the obligations of Guarantor's wholly-owned subsidiary, Republic Waste Services of Southern California, LLC, a Delaware limited liability company ("Subsidiary"), under that certain Second Amended and Restated Franchise Agreement dated 04/01, 2025 ("Agreement"), by and between City and Subsidiary. Capitalized terms used herein without definition shall have the meanings given such terms in the Agreement.

1. **Guaranty.** Guarantor hereby unconditionally and irrevocably guarantees to City the full, prompt and faithful performance of the covenants and indemnities of Subsidiary under the Agreement and the full and timely payment of all amounts due or owing, now or in the future, by Subsidiary under the Agreement.
2. **Term.** This Guaranty shall continue in full force and effect throughout the term of the Agreement and until all covenants and indemnities of Subsidiary under the Agreement are fully performed, including any that survive termination or expiration of the term of the Agreement, and all amounts due or owing by Subsidiary under the Agreement are paid in full. Any termination of this Guaranty shall not affect nor apply to performance of any covenant or indemnity of Subsidiary performance of which is due prior to the effective date of such termination or which becomes due after the effective date of such termination based upon an act, omission, event or occurrence prior to the effective date of such termination.
3. **Rights Independent.** Guarantor agrees that the obligations under this Guaranty are independent of the obligations of Subsidiary under the Agreement and a separate action or actions may be brought and prosecuted against Guarantor whether action is brought and prosecuted against Subsidiary or any other person, or any other guarantor, or whether any other person is joined in any such action or actions.
4. **Modification of Obligations.** Guarantor authorizes City without notice or demand to Guarantor and without affecting Guarantor's liability hereunder, from time to time to: (a) enter into with Subsidiary or, with the joinder or prior written approval of Subsidiary, to, amend, alter, modify, renew, extend, accelerate or otherwise change the Agreement or any provision thereof or otherwise change the terms of any documents, instruments or agreements to which Subsidiary is a party; (b) take and hold security or additional guaranties for the performance of this Guaranty or the obligations guaranteed hereunder, and amend, alter, exchange, substitute, transfer, enforce, waive, subordinate, terminate, modify and release in any manner any such security or guaranties; (c) apply such security and direct the order or manner of sale thereof as City in its discretion may determine; (d) release or substitute any other guarantor; and (e) settle, release on terms satisfactory to Subsidiary by operation of law or otherwise, compound, compromise, collect or otherwise liquidate any indebtedness or security in any manner, consent to the transfer of security and bid and purchase at any sale, without affecting or impairing the obligations of Guarantor hereunder.
5. **Waiver of Defenses.** Guarantor waives any right to require City to proceed against Subsidiary or any person other than Guarantor or to pursue any other remedy in City's powers whatsoever, except that, prior to proceeding against Guarantor under this Guaranty, (i) City shall first demand in writing performance or payment by Subsidiary and any cure period applicable to such performance or payment as set forth in the Agreement shall have expired without cure by Subsidiary, except that if Subsidiary shall decline or refuse such demand or shall be prevented by bankruptcy, insolvency, operation of law, legal

EXHIBIT G CORPORATE GUARANTY

process or legal incapacity from performing or paying, no such demand for performance or payment or expiration of such cure period shall be necessary prior to City proceeding against Guarantor under this Guaranty, and (ii) City shall give written notice, in the manner provided in the Agreement, to Guarantor of the non-performance or non-payment by Subsidiary, which notice requirement may be satisfied by City transmitting to Guarantor a copy of any written notice or demand given to Subsidiary in the manner provided in the Agreement. Guarantor waives any defense arising by reason of (a) any disability or other defense of Subsidiary or any other person; (b) the cessation from any cause whatsoever of the liability of Subsidiary; (c) any act or omission of Subsidiary or others that directly or indirectly results in or aids the discharge of any of the obligations guaranteed hereunder by operation of law or otherwise; (d) the amendment, modification, renewal, extension or other change in any of the obligations guaranteed hereunder; (e) the forbearance by the City from the strict and timely enforcement of any of City's rights under this Agreement; or (f) any defense to liability under this Guaranty based upon Guarantor's inability to exercise any right of subrogation to the rights of City against Subsidiary. Guarantor waives any right to enforce any remedy that Subsidiary now has or may hereafter have against any person, and waives any benefit of, and any right to participate in, any security, now or hereafter held by Subsidiary or City. Guarantor's obligations hereunder shall not be affected by any right or setoff or any counterclaim, and, except as provided in the first sentence of this Section 5, Guarantor waives all presentments, demands for performance, notices of nonperformance, protests, notices of protest, notices of dishonor, and notices of acceptance of this Guaranty and of the existence, creation, or incurring of new or additional obligations, and all other notices and demands of any kind and description now or hereafter provided for by any statute or rule of law. Guarantor specifically agrees that Guarantor shall not be released from liability hereunder by any action taken by Subsidiary or City. Guarantor further expressly waives all rights and benefits which might otherwise be available to Guarantor under California Civil Code Sections 2810, 2819, 2839, 2845, 2846, 2849, 2850, 2899 and 3433.

6. **Attorneys' Fees.** Guarantor shall pay to City, without demand, any and all costs and/or expenses, including, without limitation, reasonable attorneys' fees and costs and court costs that City expends or incurs in collecting or compromising the obligations guaranteed hereunder or in enforcing this Guaranty against Guarantor, whether or not suit is filed, expressly including all court costs and attorneys' fees incurred by City in connection with any insolvency, bankruptcy, reorganization, arrangement or other similar proceedings involving Guarantor as the insolvent or bankrupt party that in any way affects the exercise by City of any of its rights or remedies hereunder.

7. **Guarantor's Representations and Warranties.** Guarantor represents and warrants to City that (a) the Agreement confers substantial and material benefits to Guarantor; (b) there are no actions, suits or proceedings pending, or to the knowledge of Guarantor threatened, against or affecting Guarantor which could have a material adverse effect on the ability of Guarantor to honor the obligations guaranteed hereunder, or involving the validity or enforceability of this Guaranty, at law or in equity, and Guarantor, to the best of its knowledge after due investigation, is not in default or in violation with respect to, or operating under or subject to, any order, writ, injunction, decree or demand of any court or any governmental authority; (c) the consummation of the transactions hereby contemplated and performance of this Guaranty will not result in any breach of, or constitute a default under, any mortgage, deed of trust, lease, bank loan or credit agreement, partnership agreement, corporate charter, bylaws or other agreement or instrument to which Guarantor is a party or by which Guarantor or any of its assets may be bound or affected; (d) Guarantor is not insolvent (as such term is defined in the Bankruptcy Code of 1978, 11 U.S.C. Section 101, et seq., as amended) and will not be rendered insolvent by execution of this

EXHIBIT G CORPORATE GUARANTY

Guaranty or the consummation of the transactions contemplated hereby; and (d) Guarantor has no counterclaims, offsets or defenses with respect to the Guaranty.

8. **Subordination of Rights.** Guarantor hereby agrees that any claim it may have or may hereafter acquire against Subsidiary shall be subordinate to any claims that City may have against Guarantor and/or Subsidiary.

9. **Effect of Waivers.** Guarantor warrants and agrees that each of the waivers set forth in this Guaranty is made with Guarantor's full knowledge of its significance and consequences, and that under the circumstances, the waivers are reasonable and not contrary to public policy or law. If any of such waivers are determined to be contrary to any applicable law or public policy, such waivers shall be effective only to the maximum extent permitted by law.

10. **Successors and Assigns.** This Guaranty shall bind the heirs, executors, legal representatives, successors and assigns of Guarantor, and shall inure to the benefit of City and its successors and assigns.

11. **Governing Law.** Guarantor acknowledges and agrees that the parties and transactions referred to herein have significant contacts with the State of California, and that therefore this Guaranty shall be governed by, and construed in accordance with, the laws of the State of California.

12. **Amendments.** Neither this Guaranty nor any provision hereof may be amended, modified, waived, discharged or terminated except by an instrument in writing duly signed by or on behalf of City and Guarantor.

13. **Delay Not a Defense; Rights Cumulative.** No delay or failure by City to exercise any right or remedy against Guarantor or any other person shall be construed as a waiver thereof. All of the City's respective rights under this Guaranty are cumulative and not exclusive.

14. **Severability.** In case any right of City under this Guaranty shall be held to be invalid, illegal or unenforceable, such invalidity, illegality or unenforceability shall not affect any other right granted hereby.

15. **Miscellaneous.** All words used in this Guaranty in the singular shall be deemed to have been used in the plural and all words used in this Guaranty in the plural shall be deemed to have been used in the singular where the context and construction so require. The word "person" as used herein shall include any individual, company, firm, association, partnership, corporation, trust or other legal entity of any kind whatsoever. The term "or" is not exclusive. The section headings in this Guaranty are for convenience of reference only and shall not limit or otherwise affect the provisions of this Guaranty.

16. **Assignment of Guaranty.** This Guaranty is assignable without notice by City, in whole or in part, to an affiliate of City or to any reorganized entity as to which an affiliate of City was changed into whether by merger, sale or other method of reorganization, where such affiliate or reorganized entity assumes the obligations that this Guaranty guarantees, and when so assigned, Guarantor shall be bound as above to such affiliate of City or to such reorganized entity as to which City or an affiliate of City was changed into whether by merger, sale or other method of reorganization. Guarantor agrees that nothing herein shall be deemed to in any manner negate or limit City's right to enforce this Guaranty in the absence of any such assignment.

EXHIBIT G CORPORATE GUARANTY

17. **Further Assurances.** Guarantor agrees, at its expense and without expense to City, to do such further acts, to execute and deliver such additional documents as City from time to time reasonably requires to assure and confirm all the rights of City created hereby or intended now or hereafter, or to carry out the intention of or facilitate the performance of the terms of this Guaranty.

18. **Complete Agreement.** Except as provided in any other written agreement now or at any time hereafter in force between City and Guarantor, this Guaranty shall constitute the entire agreement of Guarantor with City with respect to the subject matter hereof, and no representation, understanding, promise or condition concerning the subject matter hereof shall be binding upon City unless expressed in this Guaranty.

19. **Notices.** All notices that may be required or otherwise contemplated under the terms of this Guaranty shall be in writing and shall be addressed to Guarantor and to City as set forth above. Such addresses may be changed from time to time by written notice to the other party at such address.

IN WITNESS WHEREOF, Guarantor has duly executed and delivered this Guaranty as of the date and year stated above.

GUARANTOR:

Republic Services, Inc.

Chairman President Vice President

John D. Peterson

Secretary Asst. Secretary
 Chief Finance Officer Asst. Treasurer

[Pursuant to Corporations Code Section 313, both signature lines must be executed unless the signatory holds at least one of the offices designated on each line.]

EXHIBIT H:
CONTRACTOR'S FAITHFUL PERFORMANCE BOND

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EXHIBIT H
CONTRACTOR'S FAITHFUL PERFORMANCE BOND

KNOW ALL PERSONS BY THESE PRESENTS that:

WHEREAS the City of Brea ("Brea"), has awarded to Republic Waste Services of Southern California, LLC, a Delaware limited liability company doing business as Brea Disposal and located at 2242 N. Blue Gum Street, Anaheim, California 92806 ("Principal"), a Second Amended and Restated Franchise Agreement ("Agreement") for the collection, transportation, processing, recycling, composting, and disposal of solid waste, organic material, and recyclable material ("Franchise").

WHEREAS, Principal is required under the terms of the Agreement to furnish a bond for the faithful performance of the Agreement.

NOW, THEREFORE, we, the undersigned Principal, and _____

Liberty Mutual Insurance Company, 175 Berkeley Street, Boston, MA 02116

(Name and address of Surety)

("Surety") a duly admitted surety insurer under the laws of the State of California, as Surety, are held and firmly bound unto the City in the penal sum of Eight Hundred and Twenty-Two Thousand dollars (\$822,000), in lawful money of the United States of America, for the payment of which sum well and truly to be made, we bind ourselves, our heirs, successors executors and administrators, jointly and severally, firmly by these presents.

THE CONDITION OF THIS OBLIGATION IS SUCH THAT, if the hereby bounded Principal, its heirs, executors, administrators, successors or assigns, shall in all things stand to and abide by, and well and truly keep and perform the covenants, conditions and provisions in the Franchise and any alteration thereof made as therein provided, on Principal's part, to be kept and performed at the time and in the manner therein specified, and in all respects according to their true intent and meaning, and shall indemnify and save harmless City, its officers, agents and employees, as therein stipulated, then this obligation shall become null and void; otherwise, it shall be and remain in full force and effect.

As a part of the obligation secured hereby and in addition to the face amount specified therefor, there shall be included costs and reasonable expenses and fees, including reasonable attorneys' fees, incurred by Authority in successfully enforcing such obligation, all to be taxed as costs and included in any judgment rendered. Surety hereby waives any statute of limitations as it applies to an action on this bond.

Surety hereby stipulates and agrees that no change, extension of time, alteration or addition to the terms of the Contract or of the Franchise to be performed thereunder or the specifications accompanying the same shall in anywise affect its obligations under this bond, and it does hereby waive notice of any such change, extension of time, alteration or addition to the terms of the Contract or to the Franchise or to the specifications. Surety hereby waives the provisions of California Civil Code Sections 2845 and 2849. City is the principal beneficiary of this bond and has all rights of a party hereto.

IN WITNESS WHEREOF, two identical counterparts of this instrument, each of which shall for all purposes be deemed an original hereof, have been duly executed by Principal and Surety, on the date set forth

EXHIBIT H
CONTRACTOR'S FAITHFUL PERFORMANCE BOND

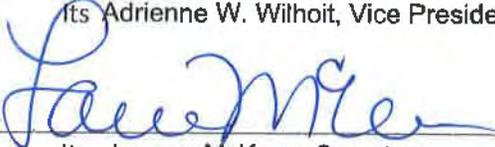
below, the name of each corporate party being hereto affixed and these presents duly signed by its undersigned representative(s) pursuant to authority of its governing body.

Dated: April 11th, 2025.

"Principal"

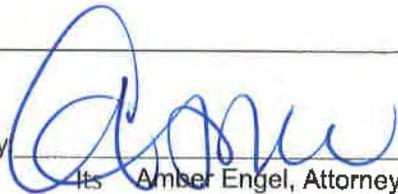
Republic Waste Services of Southern California,
LLC

By: 
Its Adrienne W. Wilhoit, Vice President

By: 
Its Lauren McKeon, Secretary

"Surety"

Liberty Mutual Insurance Company

By: 
Its Amber Engel, Attorney-in-Fact

By: 
Its Debbie Lindstrom, Attorney-in-Fact

(Seal)

(Seal)

Note: This Bond must be executed in duplicate and dated, all signatures must be notarized, and evidence of the authority of any person signing as attorney-in-fact must be attached. DATE OF BOND MUST NOT BE BEFORE DATE OF CONTRACT. Surety companies executing Bonds must appear on the Treasury Department's most current list (Circular 570 as amended) and be authorized to transact business in California.



POWER OF ATTORNEY

Liberty Mutual Insurance Company
The Ohio Casualty Insurance Company
West American Insurance Company

Certificate No: 8213112-969071

KNOWN ALL PERSONS BY THESE PRESENTS: That The Ohio Casualty Insurance Company is a corporation duly organized under the laws of the State of New Hampshire, that Liberty Mutual Insurance Company is a corporation duly organized under the laws of the State of Massachusetts, and West American Insurance Company is a corporation duly organized under the laws of the State of Indiana (herein collectively called the "Companies"), pursuant to and by authority herein set forth, does hereby name, constitute and appoint, Scott Alderman, Jamie Armfield, Heather Cimuchowski, Brock Dinneen, Amber Engel, Tatiana Gefter, Jeff Hansen, Tara Koloski, Laura Kovarik, Debbie Lindstrom, Marina Matymin, Allison McClintock, Kathleen M. Mitchell, Kathy Nye, Roxana Palacios, Kristine Santamaria, Lisa Simpson, Gail E. Tsuboi, Holly E. Ulfers

all of the city of Seattle state of WA each individually if there be more than one named, its true and lawful attorney-in-fact to make, execute, seal, acknowledge and deliver, for and on its behalf as surety and as its act and deed, any and all undertakings, bonds, recognizances and other surety obligations, in pursuance of these presents and shall be as binding upon the Companies as if they have been duly signed by the president and attested by the secretary of the Companies in their own proper persons.

IN WITNESS WHEREOF, this Power of Attorney has been subscribed by an authorized officer or official of the Companies and the corporate seals of the Companies have been affixed thereto this 10th day of February, 2025.



Liberty Mutual Insurance Company
The Ohio Casualty Insurance Company
West American Insurance Company

By: Nathan J. Zangerle

Nathan J. Zangerle, Assistant Secretary

Not valid for mortgage, note, loan, letter of credit, currency rate, interest rate or residual value guarantees.

State of PENNSYLVANIA
County of MONTGOMERY ^{SS}

On this 10th day of February, 2025 before me personally appeared Nathan J. Zangerle, who acknowledged himself to be the Assistant Secretary of Liberty Mutual Insurance Company, The Ohio Casualty Company, and West American Insurance Company, and that he, as such, being authorized so to do, execute the foregoing instrument for the purposes therein contained by signing on behalf of the corporations by himself as a duly authorized officer.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed my notarial seal at Plymouth Meeting, Pennsylvania, on the day and year first above written.



Commonwealth of Pennsylvania - Notary Seal
Teresa Pastella, Notary Public
Montgomery County
My commission expires March 28, 2029
Commission number: 1126044
Member, Pennsylvania Association of Notaries

By: Teresa Pastella
Teresa Pastella, Notary Public

This Power of Attorney is made and executed pursuant to and by authority of the following By-laws and Authorizations of The Ohio Casualty Insurance Company, Liberty Mutual Insurance Company, and West American Insurance Company which resolutions are now in full force and effect reading as follows:

ARTICLE IV – OFFICERS: Section 12. Power of Attorney.

Any officer or other official of the Corporation authorized for that purpose in writing by the Chairman or the President, and subject to such limitation as the Chairman or the President may prescribe, shall appoint such attorneys-in-fact, as may be necessary to act in behalf of the Corporation to make, execute, seal, acknowledge and deliver as surety any and all undertakings, bonds, recognizances and other surety obligations. Such attorneys-in-fact, subject to the limitations set forth in their respective powers of attorney, shall have full power to bind the Corporation by their signature and execution of any such instruments and to attach thereto the seal of the Corporation. When so executed, such instruments shall be as binding as if signed by the President and attested to by the Secretary. Any power or authority granted to any representative or attorney-in-fact under the provisions of this article may be revoked at any time by the Board, the Chairman, the President or by the officer or officers granting such power or authority.

ARTICLE XIII – Execution of Contracts: Section 5. Surety Bonds and Undertakings.

Any officer of the Company authorized for that purpose in writing by the chairman or the president, and subject to such limitations as the chairman or the president may prescribe, shall appoint such attorneys-in-fact, as may be necessary to act in behalf of the Company to make, execute, seal, acknowledge and deliver as surety any and all undertakings, bonds, recognizances and other surety obligations. Such attorneys-in-fact subject to the limitations set forth in their respective powers of attorney, shall have full power to bind the Company by their signature and execution of any such instruments and to attach thereto the seal of the Company. When so executed such instruments shall be as binding as if signed by the president and attested by the secretary.

Certificate of Designation – The President of the Company, acting pursuant to the Bylaws of the Company, authorizes Nathan J. Zangerle, Assistant Secretary to appoint such attorneys-in-fact as may be necessary to act on behalf of the Company to make, execute, seal, acknowledge and deliver as surety any and all undertakings, bonds, recognizances and other surety obligations.

Authorization – By unanimous consent of the Company's Board of Directors, the Company consents that facsimile or mechanically reproduced signature of any assistant secretary of the Company, wherever appearing upon a certified copy of any power of attorney issued by the Company in connection with surety bonds, shall be valid and binding upon the Company with the same force and effect as though manually affixed.

I, Renee C. Llewellyn, the undersigned, Assistant Secretary, The Ohio Casualty Insurance Company, Liberty Mutual Insurance Company, and West American Insurance Company do hereby certify that the original power of attorney of which the foregoing is a full, true and correct copy of the Power of Attorney executed by said Companies, is in full force and effect and has not been revoked.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed the seals of said Companies this 11th day of April, 2025.



By: Renee C. Llewellyn

Renee C. Llewellyn, Assistant Secretary

For bond and/or Power of Attorney (POA) verification inquiries, please call 610-832-8240 or email HOSUR@libertymutual.com.

**EXHIBIT I:
NOTARY CERTIFICATION**

CALIFORNIA ALL-PURPOSE ACKNOWLEDGEMENT

Civil Code § 1189

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy or validity of that document.

State of Washington

County of King

On 4/11/2025 before me, Jamie Armfield, Notary Public
Date Name and Title of Notary

personally appeared Amber Engel
Name and or Names of Signer(s)

Who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

Witness my hand and official seal.

Signature Jamie Armfield
Notary Public Signature



Place Notary Public Seal Above

OPTIONAL

Though the information below is not required by law, it may prove valuable to the persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

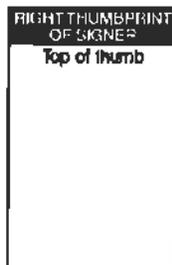
Description of Attached Document

Title or Type of Document _____

Document Date _____ Number of Pages: _____

Signer's Name: _____

- Individual
 - Corporate Officer – Title(s): _____
 - Partner - Limited General
 - Guardian or Conservator
 - Attorney-in-Fact
 - Trustee
 - Other: _____
- Signer is representing _____
- _____
- _____



- Individual
 - Corporate Officer – Title(s): _____
 - Partner - Limited General
 - Guardian or Conservator
 - Attorney-in-Fact
 - Trustee
 - Other: _____
- Signer is representing _____
- _____
- _____



CALIFORNIA ALL-PURPOSE ACKNOWLEDGEMENT

Civil Code § 1189

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy or validity of that document.

State of Washington

County of King

On 4/11/2025 before me, Jamie Armfield, Notary Public

personally appeared Debbie Lindstrom

Who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

Witness my hand and official seal.

Signature Jamie Armfield
Notary Public Signature



Place Notary Public Seal Above

OPTIONAL

Though the information below is not required by law, it may prove valuable to the persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document

Title or Type of Document _____

Document Date _____ Number of Pages: _____

Signer's Name: _____

Individual
 Corporate Officer – Title(s): _____
 Partner - Limited General
 Guardian or Conservator
 Attorney-in-Fact
 Trustee
 Other: _____
 Signer is representing _____

RIGHT THUMBPRINT
 OF SIGNER
 Top of thumb

Individual
 Corporate Officer – Title(s): _____
 Partner - Limited General
 Guardian or Conservator
 Attorney-in-Fact
 Trustee
 Other: _____
 Signer is representing _____

RIGHT THUMBPRINT
 OF SIGNER
 Top of thumb

CALIFORNIA ALL-PURPOSE ACKNOWLEDGEMENT

Civil Code § 1189

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy or validity of that document.

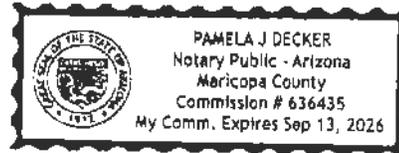
State of Arizona

County of Maricopa

On April 14, 2025 before me, Pamela J. Decker, Notary Public

personally appeared Adrienne W. Wilhoit, Vice President

Who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.



I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

Witness my hand and official seal.

Signature [Handwritten Signature]
Notary Public Signature

Place Notary Public Seal Above

OPTIONAL

Though the information below is not required by law, it may prove valuable to the persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document

Title or Type of Document Performance Bond #16244666

Document Date _____ Number of Pages: _____

Signer's Name: _____

- Individual
 - Corporate Officer – Title(s): _____
 - Partner - Limited General
 - Guardian or Conservator
 - Attorney-in-Fact
 - Trustee
 - Other: _____
- Signer is representing _____
- _____
- _____



- Individual
 - Corporate Officer – Title(s): _____
 - Partner - Limited General
 - Guardian or Conservator
 - Attorney-in-Fact
 - Trustee
 - Other: _____
- Signer is representing _____
- _____
- _____



CALIFORNIA ALL-PURPOSE ACKNOWLEDGEMENT

Civil Code § 1189

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy or validity of that document.

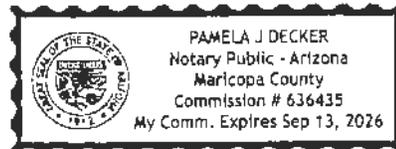
State of Arizona

County of Maricopa

On April 14, 2025 before me, Pamela J. Decker, Notary Public
Date Name and Title of Notary

personally appeared Lauren McKeon, Secretary
Name and or Names of Signer(s)

Who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.



I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

Witness my hand and official seal.

Signature *Pamela J. Decker*
Notary Public Signature

Place Notary Public Seal Above

OPTIONAL

Though the information below is not required by law, it may prove valuable to the persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document

Title or Type of Document Performance Bond 016244666

Document Date _____ Number of Pages: _____

Signer's Name: _____

Individual
 Corporate Officer – Title(s): _____
 Partner - Limited General
 Guardian or Conservator
 Attorney-in-Fact
 Trustee
 Other: _____
 Signer is representing _____

RIGHT THUMBPRINT
OF SIGNER
Top of Thumb

Individual
 Corporate Officer – Title(s): _____
 Partner - Limited General
 Guardian or Conservator
 Attorney-in-Fact
 Trustee
 Other: _____
 Signer is representing _____

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EXHIBIT J:
CONTRACTOR'S SB 1383 IMPLEMENTATION PLAN AND SCHEDULE

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EXHIBIT J CONTRACTOR'S IMPLEMENTATION PLAN AND SCHEDULE

Task #		Owner	Target Start Date	Target End Date	Completion Status	Notes/ Results
 Exhibit J, SB 1383 / Intital Implementation Plan * City of Brea <p style="text-align: center;">Timelines based to be determined in conjunction with the City at the start of the Implementation</p>						
Residential Customers - Outreach						
1	City Letter					
	Develop	RS			0%	
	Finalize with City approval	Brea			0%	
	Print	RS			0%	
	Mail	RS			0%	
2	Recycling Guide (Residential)					
	Develop	RS			0%	
	Finalize with City approval	Brea			0%	
	Print	RS			0%	
	Distribution	RS			0%	
3	Organics Cart Label					
	Develop	RS			0%	
	Finalize with City approval	Brea			0%	
	Print	RS			0%	
	Mail	RS			0%	
4	Quarterly Newsletter (4x per year distribution)					
	Develop	RS			0%	
	Finalize with City approval	Brea			0%	
	Print once per quarter	RS			0%	
5	Container Procurement (Commercial Carts)					
	Order containers with SB 1383 requirements for customers enrolling in organics and recycling	RS			0%	
Commercial Customers & Multi-Family Dwellings - Outreach						
6	Auto-Enrollment - Pilot					
	Identify 30 customers for auto enrollment (food generators)	RS			0%	
	Send information postcard about the program (including contamination fees reminder)	RS			0%	
	Call 30 identified customers the week of delivery	RS			0%	
	Deliver cart with tag attached	RS			0%	
	Evaluate pilot auto enrollment with city to determine/plan for city wide rollout	RS			0%	
7	Postcard (for Auto-Enrollment Pilot & Citywide Rollout)					
	Develop	RS			0%	
	Finalize with City approval	Brea			0%	
	Print	RS			0%	
	Mail	RS			0%	

EXHIBIT J CONTRACTOR'S IMPLEMENTATION PLAN AND SCHEDULE

		Exhibit J. SB 1383 / Intital Implementation Plan * City of Brea Timelines based to be determined in conjunction with the City at the start of the Implementation				
Task #		Owner	Target Start Date	Target End Date	Completion Status	Notes/ Results
	Develop	RS			0%	
	Finalize with City approval	Brea			0%	
	Print	RS			0%	
9	How To Flyers - Recyclable Materials & Organic Materials (Flyers & Posters)					
	Develop	RS			0%	
	Finalize with City approval	Brea			0%	
	Print	RS			0%	
10	Additional Outreach					
	Websites (City & RS)					
	Update and upload new SB 1383 materials & information	RS / Brea			0%	
	include sections for Single Family, Commenal & Multi-Family Customers	RS / Brea			0%	
11	Robo Calls (Residential)					
	Develop Script	RS			0%	
	Finalize with City approval	Brea			0%	
	Aquire customer call list from City	Brea			0%	
	Deploy	RS			0%	
12	Contamination Tag, Non-Collection & Courtesy Pick Up Notices (Residential & Commercial)					
	Develop	RS			0%	
	Finalize with City approval	Brea			0%	
	Print	RS			0%	
13	City Facilities					
	Conduct Site Visits of City Facilities (defined in Exhibit B4)	RS			0%	
	Make Recommendations for Compliance	RS			0%	
	Containers Delivered	RS			0%	

EXHIBIT J CONTRACTOR'S IMPLEMENTATION PLAN AND SCHEDULE

Task #	Owner	Target Start Date	Target End Date	Completion Status	Notes/ Results
 Exhibit J. SB 1383 / Intital Implementation Plan * City of Brea <p style="text-align: center;">Timelines based to be determined in conjunction with the City at the start of the Implementation</p>					
14	Food Recovery Assistance				
	Identify all commercial customers that meet the definition of Tier One and Tier Two	RS / Brea		0%	
	Tier 1 Inspections	RS		0%	
	Tier 2 Inspections	RS		0%	
	Provide information and assistance to all edible food generators	RS		0%	
15	City Record Keeping Software				
	Provide initial customer data	RS		0%	
	Train all Contractor staff on software use for SB 1383 data collection & compliance reporting	RS		0%	
16	Kitchen Pails Available for Purchase Only				
	Order pails to keep in inventory	RS		0%	
	Make pails available to customers at request for purchase	RS		0%	
17	Annual Route Reviews				
	Propose route review methodology and schedule for performance	RS		0%	
	Conduct route review as scoped	RS		0%	
18	Actions upon Identification of Prohibited Container Contaminants				
	Provide a Courtesy Pick-Up Notice or Non-Collection Notice at door or gate	RS		Ongoing	0%
	Collect the contaminated Recyclable Materials and/or Organic Materials Containers <u>OR</u>	RS		Ongoing	0%
	Inform the customer of Non-Collection	RS		Ongoing	0%
	Corrective action taken to address contaminated materials	RS		Ongoing	0%
	Assess contamination fee after courtesy notice (Applicable only to Commercial/MF)	RS		Ongoing	0%
	Track occurrences of contamination for reporting purposes	RS		Ongoing	0%
19	Records, Reports, and Information Requirements				
	Monthly Reports	RS	Monthly	Ongoing	0%
	Quarterly Reports	RS	Quarterly	Ongoing	0%
	Annual Report	RS	Annually	Ongoing	0%

**This exhibit is meant to serve as a general outline and does not include all requirements noted in the Second Amended and Restated Agreement and Exhibits.*

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**EXHIBIT K:
COUNTY WASTE DISPOSAL AGREEMENT**

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****Current Waste Disposal Agreement to be superseded by future Orange County Waste & Recycling Agreement. ****

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WASTE DISPOSAL AGREEMENT

Between

THE COUNTY OF ORANGE, CALIFORNIA

and
the

CITY OF BREA

Dated 7/23 June 16, 2009

County Authorization Date:

March 24, 2009

County Notice Address:

Director
OC Waste & Recycling
300 N. Flower Street, Suite 400
Santa Ana, CA 92703

City Authorization Date:

June 16, 2009

City Notice Address:

Director
Maintenance Services Department
1 Civic Center Circle
Brea, CA 92821

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APPENDIX 1

ESTIMATED ANNUAL TONNAGE

APPENDIX 2

CUMULATIVE TONNAGE TARGETS

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CUMULATIVE CAPITAL COSTS

APPENDIX 4

FORM OF HAULER ACKNOWLEDGEMENT

WASTE DISPOSAL AGREEMENT

THIS WASTE DISPOSAL AGREEMENT is made and dated as of the date indicated on the cover page hereof between the County of Orange, a political subdivision of the State of California (the "County"), and the City designated on the cover page of this Agreement, a general law or charter city and political subdivision of the State of California (the "City").

RECITALS

The County owns, manages and operates a sanitary landfill system for the disposal of municipal solid waste generated by the cities and the unincorporated area within the County (the "Disposal System"). The Disposal System includes three active landfills and four regional household hazardous waste collection centers.

The Disposal System is used for the disposal of municipal solid waste which is not reused, recycled or otherwise diverted from landfill disposal, pursuant to the California Integrated Waste Management Act of 1989 (Division 30 of the California Public Resources Code) (the "Act").

The City, in the exercise of its police power and its powers under the Act, has entered into a franchise or other agreement with or issued permits or licenses to one or more private haulers for the collection and disposal of municipal solid waste generated within the City.

A significant portion of municipal solid waste generated within the City historically has been and currently is delivered by such hauler or haulers to the County for disposal in the Disposal System.

In 1997, the City and the County entered in a waste disposal agreement (the "Original WDA"), pursuant to which the County agreed to provide disposal capacity for waste generated in the City, and the City agreed to deliver or cause the delivery of waste generated in the City to the Disposal System, as more specifically set forth in, and subject to the terms and conditions of, the Original WDA.

The Original WDA, as amended, will expire by its terms on June 30, 2010, unless the City and the County agree to renew the Original WDA.

The City and the County desire to enter into this agreement to extend, amend and restate the Original WDA, on the terms and conditions set forth herein. The County and City acknowledge that the Original WDA shall remain in full force and effect until the Commencement Date.

The City has determined that the execution of this Agreement by the City will serve the public health, safety and welfare of the City by providing greater disposal rate stability, more predictable and reliable long-term disposal service, and the continuation of sound environmental management.

The County has determined that the execution by the County of this Agreement will serve the public health, safety and welfare by providing a more stable, predictable and reliable supply of municipal solid waste and the resulting service payment revenue to the Disposal System, thereby enabling the County to plan, manage, operate and finance improvements to the Disposal System on a more prudent and sound long term, businesslike basis consistent with its obligations to the State and the holders of obligations secured by its Disposal System.

Official action approving this Agreement and determining it to be in the public interest and authorizing its execution and delivery was duly taken by the County on the County authorization date indicated on the cover page hereof.

Official action approving this Agreement and determining it to be in the public interest and authorizing its execution and delivery was duly taken by the City on the City authorization date indicated on the cover page hereof.

It is, therefore, agreed as follows:

ARTICLE I
DEFINITIONS AND INTERPRETATION

SECTION 1.1 DEFINITIONS. As used in this Agreement, the following terms shall have the meanings set forth below.

“Acceptable Waste” means all garbage, refuse, rubbish and other materials and substances discarded or rejected as being spent, useless, worthless or in excess to the owners at the time of such discard or rejection and which are normally disposed of by or collected from residential (single family and multi-family), commercial, industrial, governmental and institutional establishments and which are acceptable at Class III landfills under Applicable Law.

“Act” means the California Integrated Waste Management Act of 1989 (Division 30 of the California Public Resources Code), as amended, supplemented, superseded and replaced from time to time.

“Agreement” means this Waste Disposal Agreement between the County and the City as the same may be amended or modified from time to time in accordance herewith.

“Appendix” means an appendix to this Agreement, as the same may be amended or modified from time to time in accordance with the terms hereof

“Applicable Law” means the Act, the Orange County Code, CERCLA, RCRA, CEQA, any Legal Entitlement and any federal or state rule, regulation, requirement, guideline, permit, action, determination or order of any Governmental Body having jurisdiction, applicable from time to time to the siting, design, permitting, acquisition, construction, equipping, financing, ownership, possession, operation or maintenance of the Disposal System, the transfer, handling, transportation and disposal of Acceptable Waste, Unacceptable Waste, or any other transaction or matter contemplated hereby (including any of the foregoing which concern health, safety, fire, environmental protection, mitigation monitoring plans and building codes).

“Board” means the California Integrated Waste Management Board.

“Capital Costs” means all costs of the Disposal System that are classified as capital costs for purposes of the budget of the Department in accordance with procedures established by the County of Orange Auditor-Controller in compliance with the California State Controller’s Manual, including but not limited to all of the categories of costs of the Disposal System reported as “Buildings and Improvements, and Infrastructure” (Object Code 4200) or “Equipment” (Object Code 4000) in the County of Orange – Chart of Accounts, or any successor accounting or reporting system utilized by the County.

“CEQA” means the California Environmental Quality Act, codified at Cal. Pub. Res. Code Section 21000 *et seq.* as amended or superseded, and the regulations promulgated thereunder.

“CERCLA” means the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C.A. Section 9601 *et seq.*, as amended or superseded, and the regulations promulgated thereunder.

“Change in Law” means any of the following events or conditions which has a material and adverse effect on the performance by the parties of their respective obligations under this Agreement (except for payment obligations), or on the siting, design, permitting, acquisition, construction, equipping, financing, ownership, possession, operation or maintenance of the Disposal System or other matters to which Applicable Law applies:

(1) the enactment, adoption, promulgation, issuance, material modification or written change in administrative or judicial interpretation on or after the Commencement Date of any Applicable Law (other than Applicable Law enacted by the County);

(2) the order or judgment of any Governmental Body (other than the County), on or after the Commencement Date, to the extent such order or judgment is not the result of willful or negligent action, error or

omission or lack of reasonable diligence of the County or of the City, whichever is asserting the occurrence of a Change in Law; provided, however, that the contesting in good faith or the failure in good faith to contest any such order or judgment shall not constitute or be construed as such a willful or negligent action, error or omission or lack of reasonable diligence; or

(3) the denial of an application for, delay in the review, issuance or renewal of, or suspension, termination, interruption, imposition of a new or more stringent condition in connection with the issuance, renewal or failure of issuance or renewal on or after the Commencement Date of any Legal Entitlement to the extent that such denial, delay, suspension, termination, interruption, imposition or failure materially and adversely interferes with the performance of this Agreement, if and to the extent that such denial, delay, suspension, termination, interruption, imposition or failure is not the result of willful or negligent action, error or omission or a lack of reasonable diligence of the County or of the City, whichever is asserting the occurrence of a Change in Law; provided, however that the contesting in good faith or the failure in good faith to contest any such denial, delay, suspension, termination, interruption, imposition or failure shall not be construed as such a willful or negligent action, error or omission or lack of reasonable diligence.

A "Change in Law" shall include but not be limited to any new or revised requirements relating to the funding or provision of disposal services, including but not limited to any regulations for disposal operations or activities associated with the remediation, closure, funding or monitoring of closed sites with respect to facilities comprising the Disposal System, or facilities which the County previously utilized to provide waste disposal, transfer, recycling, processing or other waste related activities.

"City" means, as applicable, the city or Sanitary District designated on the cover page of this Agreement and party to this Agreement.

"City Acceptable Waste" means all Acceptable Waste which was originally discarded by the first generator thereof within the geographical limits of the City, and Residue from the foregoing wherever produced, whether within or outside the City (or Tonnage equivalencies of such Residues, as and to the extent provided in subsection 3.1(C) hereof).

"Commencement Date" means the date on which the obligations of the parties hereto commence, established as provided in Section 6.2(B) hereof.

"Contract Date" means the first date on which this Agreement has been executed by both parties hereto.

"Contract Rate" has the meaning specified in Section 4.2 hereof.

"Contract Year" means the fiscal year commencing on July 1 in any year and ending on June 30 of the following year.

"Controllable Waste" means all City Acceptable Waste with respect to which the City has the legal or contractual ability to determine the disposal location therefor and which is:

- (1) Non-Recycled City Acceptable Waste;
- (2) not generated from the operations of the Governmental Bodies which, under Applicable Law, have the independent power to arrange for the disposal of the waste they generate; and
- (3) collected and hauled by Franchise Haulers.

"County" means the County of Orange, a political subdivision of the State of California and party to this Agreement.

"County Plan" means the integrated waste management plan of the County approved by the Board pursuant to the Act as in effect from time to time.

“County Acceptable Waste” means Acceptable Waste generated in the County.

“County OC Waste & Recycling Enterprise Fund” means the waste management enterprise fund established and managed by the County pursuant to Section 25261 of the Government Code separate from its other funds and accounts for receipts and disbursements in connection with the Disposal System.

“County-wide Recycling Services” has the meaning set forth in subsection 3.7(A) hereof.

“Cumulative Tonnage Target” for any given Contract Year means the amount specified in Appendix 2 hereto with respect to such Contract Year.

“Department” means OC Waste & Recycling, and any agency, department or other Governmental Body which succeeds to the duties and powers thereof.

“Disposal Agreements” means each of the waste disposal agreements entered into between the County and any city within the County, Sanitary District or operator of any Transfer Station located in the County in accordance herewith.

“Disposal Services” means the solid waste disposal services to be provided by the County pursuant to the Service Covenant and otherwise hereunder.

“Disposal System” means the Orange County Waste Disposal System which includes solid waste disposal operations at three active landfills (Olinda Alpha, Frank R. Bowerman and Prima Deshecha); four regional Household Hazardous Waste Collection Centers; as well as services, such as monitoring and other activities, at closed refuse stations formerly operated by the County, as appropriate under Applicable Law.

“Environmental Fund” means the fund or funds held by the County to pay unanticipated costs of environmental mitigation, remediation or liability.

“Franchise Hauler” means any hauler or collector who provides Acceptable Waste collection services within the City pursuant to, or under authority granted by, a permit, contract, franchise or other agreement with the City. The term Franchise Hauler includes the City itself if Acceptable Waste collection and transportation services are provided directly by City operated municipal collection service.

“Governmental Body” means any federal, State, county, city or regional legislative, executive, judicial or other governmental board, agency, authority, commission, administration, court or other body, or any officer thereof acting within the scope of his or her authority.

“Hazardous Substance” has the meaning given such term in CERCLA, the Carpenter-Presley-Tanner Hazardous Substance Account Act (California Health and Safety Code Section 25300 *et seq.*), and Titles 22 and 26 of the California Code of Regulations and other regulations promulgated thereunder.

“Hazardous Waste” means (a) any waste which by reason of its quality, concentration, composition or physical, chemical or infectious characteristics may do either of the following: cause, or significantly contribute to, an increase in mortality or an increase in serious irreversible, or incapacitating reversible, illness, or pose a substantial threat or potential hazard to human health or the environment, or any waste which is defined or regulated as a hazardous waste, toxic substance, hazardous chemical substance or mixture, or asbestos under Applicable Law, as amended from time to time including, but not limited to: (1) the Resource Conservation and Recovery Act and the regulations contained in 40 CFR Parts 260-281; (2) the Toxic Substances Control Act (15 U.S.C. Sections 2601 *et seq.*) and the regulations contained in 40 CFR Parts 761-766; (3) the California Health and Safety Code, Section 25117 (West 1992 & Supp. 1996); (4) the California Public Resources Code, Section 40141 (West 1996); and (5) future additional or substitute Applicable Law pertaining to the identification, treatment, storage or disposal of toxic substances or hazardous wastes; or (b) radioactive materials which are source, special nuclear or by-product material as defined by the Atomic Energy Act of 1954 (42 U.S.C. Section 2011 *et seq.*) and the regulations contained in 10 CFR Part 40.

“Imported Acceptable Waste” means Acceptable Waste that is generated outside of the geographical boundaries of the County and delivered to the Disposal System.

“Independent Haulers” means those waste collection/hauler companies primarily engaged as a principal business in the collection and transportation of municipal solid waste generated in the County of Orange which are not obligated to deliver County Acceptable Waste to the Disposal System pursuant to a franchise, contract, permit or other authorization with a city in the County.

“Initial Term” has the meaning specified in Section 6.1(A) hereof.

“Legal Entitlement” means all permits, licenses, approvals, authorizations, consents and entitlements of whatever kind and however described which are required under Applicable Law to be obtained or maintained by any person with respect to the Disposal System or the performance of any obligation under this Agreement or the matters covered hereby.

“Legal Proceeding” means every action, suit, litigation, arbitration, administrative proceeding, and other legal or equitable proceeding having a bearing upon this Agreement.

“Loss-and-Expense” means any and all loss, liability, obligation, damage, delay, penalty, judgment, deposit, cost, expense, claim, demand, charge, tax, or expense, including all fees and costs.

“Net Import Revenues” has the meaning ascribed thereto in Section 3.6(E).

“Non-Recycled City Acceptable Waste” means all City Acceptable Waste other than Recycled City Acceptable Waste.

“Overdue Rate” means the maximum rate of interest permitted by the laws of the State, if applicable, or the prime rate established from time to time by the Bank of America, N.A. or its successors and assigns, plus 2%, whichever is lower.

“Participating City” means any city or Sanitary District executing a Disposal Agreement in accordance with Section 3.6(A) hereof and meeting all requisite conditions to the Commencement Date thereof.

“Plan of Adjustment” means the County’s Modified Second Amended Plan of Adjustment, confirmed by the United States Bankruptcy Court Central District of California in that Conformed Order Confirming Modified Second Amended Plan of Adjustment, filed May 17, 1996.

“Posted Disposal Rate” means the per ton tipping fee charged by the County for the disposal of solid waste at the Disposal System by parties which are not entitled to disposal service at the Contract Rate pursuant to this Agreement.

“Prohibited Medical Waste” means any medical or infectious waste prohibited or restricted under Applicable Law from being received by or disposed at the Disposal System.

“Qualified Household Hazardous Waste” means waste materials determined by the Board, the Department of Health Services, the State Water Resources Control Board, or the Air Resources Board to be:

- (1) Of a nature that they must be listed as hazardous in State statutes and regulations;
- (2) Toxic/ignitable/corrosive/reactive; and
- (3) Carcinogenic/mutagenic/teratogenic;

which are discarded from households as opposed to businesses. Qualified Household Hazardous Waste shall not include Unacceptable Waste.

“Recycled City Acceptable Waste” means any otherwise Controllable Waste which is separated from Acceptable Waste by the generator thereof or by processing and which is “recycled” within the meaning of Section 40180 of the Public Resources Code.

“Renewal Term” has the meaning specified in Subsection 6.1(B) hereof.

“Residue” means any material remaining from the processing, by any means and to any extent, of City Acceptable Waste or Recycled City Acceptable Waste; provided, however, that Residue shall not include minimal amounts of material remaining after such processing (which minimal amounts shall in no event exceed 10% of the amount of such City Acceptable Waste or Recycled City Acceptable Waste prior to processing).

“Resource Conservation and Recovery Act” or “RCRA” means the Resource Conservation and Recovery Act, 42 U.S.C.A. Section 6901 *et seq.*, as amended and superseded.

“Restricted Reserves” has the meaning specified in Section 4.5.

“Sanitary Districts” means the sanitary districts in the County formed pursuant to the Sanitary District Act of 1923, codified at Cal. Ann. Health & Safety Code Section 6400 *et seq.*, as amended, supplemented, superseded and replaced from time to time.

“Self-Hauled Waste” means City Acceptable Waste collected and hauled by Self-Haulers.

“Self-Hauler” means any person not engaged commercially in waste haulage who collects and hauls Acceptable Waste generated from residential or business activities conducted by such person.

“Service Coordinator” means the service coordinator for either party designated pursuant to subsection 3.5(C) hereof.

“Service Covenant” means the covenants and agreements of the County set forth in Sections 3.2 and 3.3 hereof.

“Source-Separated Household Hazardous Waste” means Qualified Household Hazardous Waste which has been segregated from Acceptable Waste originating or generated within the geographical jurisdiction of the City at the source or location of generation.

“Source-Separated Household Hazardous Waste Disposal System” means the collection centers, facilities, contracts and other arrangements owned or administered by the County for the receipt, handling and disposal of Source-Separated Household Hazardous Waste.

“State” means the State of California.

“Term” shall mean the Term of this Agreement.

“Ton” means a “short ton” of 2,000 pounds.

“Transfer Station” means any materials recovery facility, composting facility, intermediate processing facility, recycling center, transfer station or other waste handling or management facility to which solid waste collected for the City is delivered for processing before disposal in the Disposal System.

“Unacceptable Waste” means Hazardous Waste; Hazardous Substances; Prohibited Medical Waste; Qualified Household Hazardous Waste separated from Acceptable Waste; explosives, ordnance, highly flammable substances, and noxious materials and lead-acid batteries (except if delivered in minimal quantities); drums and closed containers; liquid waste, oil, human wastes; machinery and equipment from commercial or industrial sources, such as hardened gears, shafts, motor vehicles or major components thereof, agricultural equipment, trailers, marine

vessels and steel cable; hot loads; and any waste which the Disposal System is prohibited from receiving under Applicable Law.

“Uncontrollable Circumstance” means any act, event or condition affecting the Disposal System, the County, the City, or any of their Franchise Haulers, contractors or suppliers to the extent that it materially and adversely affects the ability of either party to perform any obligation under the Agreement (except for payment obligations), if such act, event or condition is beyond the reasonable control of and is not also the result of the willful or negligent act, error or omission or failure to exercise reasonable diligence on the part of the party relying thereon as justification for not performing an obligation or complying with any condition required of such party under the Agreement; provided, however, that the contesting in good faith or the failure in good faith to contest such action or inaction shall not be construed as willful or negligent action or a lack of reasonable diligence of either party. Examples of Uncontrollable Circumstances are:

- (1) an act of God, landslide, lightning, earthquake, fire, explosion, flood, sabotage or similar occurrence, acts of a public enemy, extortion, war, blockade or insurrection, riot or civil disturbance; and
- (2) a Change in Law.

“Unincorporated Area” means those portions of the County which are not contained within the jurisdictional boundaries of incorporated cities.

“Unincorporated Area Acceptable Waste” means Acceptable Waste originating from or generated within the Unincorporated Area.

“Unrestricted Reserves” means cash and other reserves of the Disposal System which are not Restricted Reserves.

“Waste Disposal Covenant” means the covenants and agreements of the City set forth in Section 3.1 hereof.

SECTION 1.2 INTERPRETATION. In this Agreement, unless the context otherwise requires:

(A) References Hereto. The terms “hereby”, “hereof”, “herein”, “hereunder” and any similar terms refer to this Agreement, and the term “hereafter” means after, and the term “heretofore” means before, the Contract Date.

(B) Gender and Plurality. Words of the masculine gender mean and include correlative words of the feminine and neuter genders and words importing the singular number mean and include the plural number and vice versa.

(C) Persons. Words importing persons include firms, companies, associations, general partnerships, limited partnerships, trusts, business trusts, corporations and other legal entities, including public bodies, as well as individuals.

(D) Headings. The table of contents and any headings preceding the text of the Articles, Sections and subsections of this Agreement shall be solely for convenience of reference and shall not constitute a part of this Agreement, nor shall they affect its meaning, construction or effect.

(E) No Third Party Beneficiaries. Nothing in this Agreement is intended to confer on haulers or any other person other than the parties hereto and their respective permitted successors and assigns hereunder any rights or remedies under or by reason of this Agreement.

(F) Counterparts. This Agreement may be executed in any number of original counterparts. All such counterparts shall constitute but one and the same Agreement.

(G) Applicable Law. This Agreement shall be governed by and construed in accordance with the Applicable Laws of the State of California.

(H) Severability. If any clause, provision, subsection, Section or Article of this Agreement shall be ruled invalid by any court of jurisdiction, then the parties shall: (1) promptly meet and negotiate a substitute for such clause, provision, subsection, Section or Article which shall, to the greatest extent legally permissible, effect the intent of the parties therein; (2) if necessary or desirable to accomplish item (1) above, apply to the court having declared such invalidity for a judicial construction of the invalidated portion of this Agreement; and (3) negotiate such changes in, substitutions for or additions to the remaining provisions of this Agreement as may be necessary in addition to and in conjunction with items (1) and (2) above to effect the intent of the parties in the invalid provision. The invalidity of such clause, provision, subsection, Section or Article shall not affect any of the remaining provisions hereof, and this Agreement shall be construed and enforced as if such invalid portion did not exist, unless such invalidity frustrates the underlying primary purpose of the Agreement.

(I) Integration; Preservation of Certain Agreements. This Agreement contains the entire agreement between the parties with respect to the transactions contemplated hereby. This Agreement shall completely and fully supersede all prior understandings and agreements between the Parties with respect to such transactions; provided, however, that this Agreement shall not supersede the following agreements:

- 1) MOU, dated March 10, 1992, between the City of Brea and the County of Orange regarding the Olinda Alpha Landfill as amended on April 6, 1993 and November 29, 1994;
- 2) MOU, dated May 11, 1995, between the City of Brea and the County of Orange regarding importation of out-of-County waste to the Olinda Alpha Landfill;
- 3) Settlement Agreement, dated August 1, 1984, between the City of Irvine and the County of Orange regarding the Bee Canyon Landfill (currently called Frank R. Bowerman Landfill);
- 4) MOU, dated May 16, 1995, between the City of Irvine and the County of Orange regarding importation of out-of-County waste to the Frank R. Bowerman Landfill;
- 5) MOU, dated September 12, 1995, and amended November 21, 1995, between the City of San Juan Capistrano and the County of Orange regarding importation of out-of-County waste to the Prima Deshecha Landfill;
- 6) MOU, dated July 1, 1997, between the City of San Clemente[, the Orange County Flood Control District] and the County of Orange regarding the Prima Deshecha Landfill; and
- 7) Cooperative Agreement, dated August 15, 2006, between the County and the City of Irvine.

(J) Recitals. The recitals to this Agreement are not intended to bind the parties hereto. In the event of a conflict between the recitals and the operative provisions of this Agreement, the operative provisions shall prevail. The recitals shall not be used to interpret the provisions of the Agreement.

ARTICLE II REPRESENTATIONS AND WARRANTIES

SECTION 2.1 REPRESENTATIONS AND WARRANTIES OF THE CITY. The City represents and warrants that:

(A) Existence. The City is a general law or charter city validly existing under the Constitution and laws of the State.

(B) Due Authorization. The City has duly authorized the execution and delivery of this Agreement, and this Agreement has been duly executed and delivered by the City.

SECTION 2.2 REPRESENTATIONS AND WARRANTIES OF THE COUNTY. The County represents and warrants that:

(A) Existence. The County is a political subdivision of the State of California validly existing under the Constitution and laws of the State.

(B) Due Authorization. The County has duly authorized the execution and delivery of this Agreement, and this Agreement has been duly executed and delivered by the County.

ARTICLE III
DELIVERY AND ACCEPTANCE OF WASTE
AND PROVISION OF DISPOSAL SERVICE

SECTION 3.1 DELIVERY OF WASTE.

(A) Waste Disposal Covenant. Subject to the occurrence of the Commencement Date and throughout the Term of this Agreement, the City shall exercise all legal and contractual power and authority which it may possess from time to time to deliver or cause the delivery of all Controllable Waste to the Disposal System in accordance herewith.

(B) Recycled City Acceptable Waste. The parties hereto acknowledge the responsibility of the City to meet the recycling and landfill diversion goals contained in the Act. Nothing in this Agreement is intended or shall be interpreted to prohibit or impair the ability of the City to meet such responsibilities, or to restrict the right of the residents, businesses or organizations in the City to practice source separation, recycling, composting or other materials recovery activities, or to restrict the right of the City to conduct, sponsor, encourage or require such activities in any form. No reduction in the amount of Controllable Waste generated in the City and delivered to the Disposal System by or on behalf of the City which may result from any such source separation or recycling program shall cause the City any liability hereunder (other than potential adjustment to the Contract Rate to the extent provided in Article IV hereof) and shall not constitute a breach of this Agreement.

(C) Waste Delivered to Transfer Station. All Residue from any processing of Controllable Waste by materials recovery, composting, recycling or other means, wherever performed, shall constitute Controllable Waste and be subject to the Waste Disposal Covenant. Where City Acceptable Waste is processed at a facility which concurrently processes other Acceptable Waste in a manner which produces commingled residue which cannot be traced to a geographic source, generic residues from such facility in Tonnage equal to the residues that would have been produced had City Acceptable Waste only been processed at the facility shall constitute Controllable Waste and be subject to the Waste Disposal Covenant. Any City Acceptable Waste or material derived or segregated therefrom which is held in storage and asserted by the possessor thereof to constitute Recycled City Acceptable Waste awaiting sale or distribution to the secondary materials markets shall constitute Controllable Waste if, when and to the extent that the storage or diversion thereof can be reasonably deemed to constitute an evasion of the Waste Disposal Covenant rather than generally recognized, accepted and prevailing practice in the Southern California materials recovery and recycling industry conducted in accordance with Applicable Law. In order for the owner and/or operator of a transfer station to be entitled to deliver Acceptable Waste from a Participating City to the Disposal System for the Contract Rate as provided in Article IV, such owner and/or operator must execute a direct agreement with the County, acknowledging and agreeing to comply with the obligation of the Participating City to cause the delivery of all Controllable Waste to the Disposal System pursuant to this Agreement. In addition, the County shall be authorized to implement procedures to determine if Acceptable Waste delivered by the owners or operators of Transfer Stations is entitled to utilize the Disposal System for the Contract Rate. Such procedures may include requiring Transfer Stations to certify, under penalty of perjury, the source of any such Acceptable Waste. If necessary, the County may require that, in order to qualify for use of the Disposal System for the Contract Rate, Transfer Stations must deliver Controllable Waste in loads containing only Controllable Waste, and not commingled with Acceptable Waste from entities which are not Participating Cities or Participating Independent Haulers.

(D) Power to Obligate Waste Disposal and Comply with this Agreement. On or before the Commencement Date, (i) any City franchise, contract, lease, or other agreement which is lawfully in effect relating to or affecting Controllable Waste shall provide, or shall have been amended to provide, that the City shall have the right without material restriction on and after the Commencement Date to direct the delivery of all Controllable Waste to a disposal location selected by the City (whether or not such Controllable Waste is delivered to a transfer station as an intermediate step prior to landfill disposal) and otherwise to comply with its obligations under this Agreement with respect to Controllable Waste and Franchise Haulers, and (ii) the City shall designate the Disposal System as the disposal location pursuant to such franchise, contract, lease or other agreement. On and after the Commencement Date and throughout the Term of this Agreement the City (a) shall not enter into any franchise, contract, lease, agreement or obligation, issue any permit, license or approval, or adopt any ordinance, resolution or law which is materially inconsistent with the requirements of the Waste Disposal Covenant, and (b) shall maintain non-exclusive or exclusive franchises or other contractual arrangements over any City Acceptable Waste which, as of the Contract Date, is subject to non-exclusive or exclusive franchise or other contractual arrangements. The City agrees that the County shall be a third party beneficiary of the obligation of Franchise Haulers to deliver Controllable Waste to the Disposal System, and may directly enforce such obligation through any legal means available. The City shall notify in writing each Franchise Hauler of the County's third party beneficiary rights.

(E) Waste Flow Enforcement. (1) The City, in cooperation with the Department, shall establish, implement, carry out and enforce a waste flow enforcement program which is sufficient to assure the delivery of all Controllable Waste to the Disposal System pursuant to and in accordance with the Waste Disposal Covenant for disposal at the times and in the manner provided herein. The waste flow enforcement program shall consist of amending City franchises, permits or authorizations with all Franchise Haulers, to the extent required by this Section and to the extent allowed by law, and shall include in addition, to the extent necessary and appropriate in the circumstances to assure compliance with the Waste Disposal Covenant, but shall not be limited to: (i) licensing or permitting Franchise Haulers, upon the condition of compliance with the Waste Disposal Covenant, (ii) providing for and taking appropriate enforcement action under any such franchise, license, or permit, such as but not limited to the suspension, revocation and termination of collection rights and privileges, the imposition of fines or collection of damages, and the exercise of injunctive relief against non-complying Franchise Haulers and (iii) causing any Transfer Station to which Controllable Waste is delivered for processing to deliver certification, under the penalty of perjury, of the amounts of Controllable Waste received and Residue remaining from processing at such Transfer Station.

(2) The City acknowledges and agrees that in the event of a breach of the Waste Disposal Covenant by the City, the City shall pay the County an amount equal to the amount that the City would have been required to pay to the County had the Waste Disposal Covenant not been breached, which shall be calculated by (x) subtracting the number of tons actually delivered during the month(s) of the breach from the number of tons that were delivered during the same month(s) closest in time when there was no such breach, even if such month(s) closest in time was prior to the Term, and (y) multiplying such amount by the Contract Rate in effect at the time of such breach (or any higher rate with respect to which the County has provided notice pursuant to Section 4.2). In the event that the County terminates the Waste Disposal Agreement as a result of such breach, the damages due as a result of such termination shall be equal to (aa) the average monthly deliveries by the City for the twelve months prior to the commencement of the breach multiplied by (bb) the Contract Rate in effect at the time of such breach (or any higher rate with respect to which the County has provided notice pursuant to Section 4.2), multiplied by (cc) the number of months that would have remained in the Term of the Agreement had the termination not occurred. The parties recognize that if the City fails to meet its obligations hereunder, the County will suffer damages and that it is and will be impracticable and extremely difficult to ascertain and determine the exact amount of such damages. Therefore, the parties agree that the damages specified above represent a reasonable estimate of the amount of such damages, considering all of the circumstances existing on the date hereto, including the relationship of the sums to the range of harm to the County that reasonably could be anticipated and anticipation that proof of actual damages would be costly or inconvenient. In signing this Agreement, each party specifically confirms the accuracy of the statements made above and the fact that each party had ample opportunity to consult with legal counsel and obtain an explanation of this liquidated damage provision at the time that this Agreement was made.

(F) Legal Challenges to Franchise System. The City shall use its best efforts to preserve, protect and defend its right to exercise and comply with the Waste Disposal Covenant against any challenge thereto, legal or otherwise (including any lawsuits against the City or the County, whether as plaintiff or defendant), by a

Franchise Hauler or any other person, based upon breach of contract, violation of law or any other legal theory. The City shall bear the cost and expense of any such Legal Proceeding or other challenge. In the event any such Legal Proceeding relating to the Waste Disposal Covenant or the City's exercise thereof establishes in a final determination that such covenant or exercise thereof is void, unlawful or unenforceable, or if any Franchise Hauler fails to deliver Controllable Waste to the Disposal System in breach of its franchise with the City on the grounds that a judicial determination made by any court or other Applicable Law has rendered its obligation to deliver Controllable Waste to the Disposal System void, unlawful or unenforceable on any legal grounds, with the result that actual waste deliveries to the Disposal System fall below the Cumulative Tonnage Targets, the County shall be entitled to avail itself of the remedies described in Section 4.2(B) hereof.

(G) Franchise Haulers. The City shall compile and provide the Department with the following information concerning all Franchise Haulers: name, address and phone number; identification number; area of collection and transportation; and franchise and permit terms.

(H) Waste Information System. The City shall cooperate with the Department in collecting information and otherwise monitoring Franchise Haulers in order to assure compliance with this Agreement. Such information may include, to the extent practicable, data pertaining to Controllable Waste collected, transported, stored, processed and disposed of, Recycled City Acceptable Waste collected, transported, stored, processed and marketed or disposed of, Franchise Haulers' franchise, permit or license terms, collection areas, transportation routes and compliance with Applicable Law; and all other information which may reasonably be required by the Department in connection with this Agreement. The City agrees to include in any revised franchise, contract, license or permit or other authorization granted to Franchise Haulers an obligation of the Franchise Hauler to provide to the County information relating to the Controllable Waste collected by such Franchise Hauler, including origins from which such Controllable Waste was collected, tonnage by type of load (residential, commercial, roll-off box), customer service levels, tonnage delivered by transfer station or material recovery facility utilized, and other related information.

(I) City Actions Affecting County. The City agrees to carry out and fulfill its responsibilities under this Agreement and Applicable Law so as to permit full and timely compliance by the County with its covenants and agreements with the State. In particular, the City agrees not to conduct, authorize or permit any disposal services for Controllable Waste to be provided in competition with the Disposal Services provided by the County hereunder, and not to take or omit to take any action with respect to Controllable Waste or its collection, transportation, transfer, storage, treatment or disposal that may materially and adversely affect the County's ability to achieve such timely compliance. Notwithstanding the foregoing, the City shall not be required to deny any permit or license or refuse to grant any approval while exercising its police powers.

(J) No Right of Waste Substitution. Nothing in this Agreement shall authorize or entitle the City to deliver or cause the delivery to the Disposal System of Acceptable Waste originating from or generated outside the jurisdiction of the City, nor obligate the County to receive or dispose of any such Acceptable Waste. The City shall not assign in whole or in part its right to deliver or cause to be delivered Controllable Waste to the County hereunder, and shall not permit any Acceptable Waste originating from or generated outside the jurisdiction of the City to be substituted for Controllable Waste for any purpose hereunder.

(K) Annexations and Restructuring. It is the intention of the parties that this Agreement and the obligations and rights of the City hereunder, including particularly the Waste Disposal Covenant and the Contract Rate, shall, to the extent permitted by Applicable Law, extend to any territory annexed by the City (or any territory with respect to which the City assumes, after March 30, 2008, solid waste management responsibility from a Sanitary District or other public entity) and shall bind any successor or restructured Governmental Body which shall assume or succeed to the rights of the City under Applicable Law.

SECTION 3.2 PROVISION OF DISPOSAL SERVICES BY THE COUNTY.

(A) Service Covenant. Commencing on the Commencement Date, the County shall provide or cause the provision of the service of (1) receiving and disposing of all Controllable Waste at the Disposal System (or such other facilities, including transfer stations, as the County may determine to use), (2) disposing in accordance with subsection 3.2(C) hereof of Controllable Waste which, at any time and for any reason, is in excess

of the disposal capacity of the Disposal System, and (3) in accordance with subsection 3.3(C) hereof, disposing of Unacceptable Waste inadvertently accepted at the Disposal System. The County, to the maximum extent permitted under Applicable Law, shall use its best efforts to keep the Olinda Alpha, Prima Deshecha and Frank R. Bowerman Landfills open for the receipt of waste for disposal or transfer of Controllable Waste pursuant to this Agreement. The County shall do and perform all acts and things which may be necessary or desirable in connection with its covenants in this subsection, including without limitation all planning, development, administration, implementation, construction, operation, maintenance, management, financing and contract work related thereto or undertaken in connection therewith. The County shall exercise all reasonable efforts to minimize the costs incurred in complying with the Service Covenant consistent with its responsibilities hereunder and under this Agreement, Applicable Law and prudent solid waste management practice and environmental considerations.

(B) Particular Facilities. The Department and the City shall consult and cooperate in determining whether and to what extent from time to time other landfills other than that primarily used by the City shall be utilized to receive Controllable Waste. The Department shall immediately advise the City by telephone of any situation, event or circumstance which results in the partial or complete inability of the County to receive Controllable Waste at any particular landfill within the Disposal System, its effect on the County's ability to perform its obligations hereunder, and the County's best estimate of the probable duration. The Department shall confirm such advice in writing within 24 hours of the occurrence of any such inability. The County shall use its best efforts to resume normal operation of the landfill primarily used by the City as soon as possible. In the event of a temporary material increase in average daily deliveries of Controllable Waste from the City which the County reasonably believes could result in the permitted daily disposal capacity limit to be exceeded with respect to a particular landfill within the Disposal System, the County shall have the right to redirect the increased Controllable Waste to another landfill within the Disposal System for the duration of the increase in average daily deliveries; provided, however, that in such circumstances the County shall utilize reasonable efforts to first redirect waste which is not Controllable Waste.

(C) Compliance with Service Covenant Not Excused for any Reason. Commencing on the Commencement Date, the obligations of the County to duly observe and comply with the Service Covenant shall apply continuously and without interruption for the Term of this Agreement. In the event that any Change in Law or other Uncontrollable Circumstance impairs or precludes compliance with the Service Covenant by the means or methods then being employed by the County, the County shall implement alternative or substitute means and methods to enable it to satisfy the terms and conditions of the Service Covenant. In the event that a Change in Law precludes the County from complying with such covenants with the means or methods then being employed and from utilizing any alternate or substitute means or methods of compliance, the County shall continuously use all reasonable efforts to effectuate executive, legislative or judicial change in or relief from the applicability of such law so as to enable the County lawfully to resume compliance with such covenants as soon as possible following the Change in Law.

SECTION 3.3 COUNTY RIGHT TO REFUSE WASTE.

(A) Right of Refusal. Notwithstanding any other provision hereof, the County may refuse delivery of:

- (1) Hazardous Waste;
- (2) Controllable Waste delivered at hours other than those provided in Section 3.5 hereof;
- (3) Waste that does not constitute Acceptable Waste;
- (4) Waste that is delivered by any party which has not executed a Waste Disposal Agreement; and
- (5) Controllable Waste consisting primarily of construction and demolition debris or inerts which may cause a particular facility's daily tonnage limit to be exceeded.

(B) Identification of Unacceptable Waste. The Department shall have the right (but not the duty or the obligation) to inspect the vehicles of all Franchise Haulers delivering material to the Disposal System, and may require that the Franchise Hauler remove any Unacceptable Waste from such vehicle before it is unloaded. If the Department determines that it is impractical to separate Controllable Waste from Unacceptable Waste in any vehicle, or if the Franchise Hauler delivering such waste is unwilling to make such separation, or if any vehicle is carrying waste which may spill or leak, then the Department may reject the entire vehicle, and the City shall forthwith remove or cause the removal of the entire delivery from the Disposal System. The Department may take all reasonable measures to prevent waste from being blown or scattered before and during unloading. The City shall cause the Franchise Haulers to observe and comply with Applicable Law, the operating rules and regulations of the Department, and the provisions of this Agreement prohibiting the delivery of Unacceptable Waste to the Disposal System.

(C) Hazardous Waste and Hazardous Substances. The parties acknowledge that the Disposal System has not been designed or permitted, and is not intended to be used in any manner or to any extent, for the handling, transportation, storage or disposal of Hazardous Waste or Hazardous Substances. Neither the County nor the City shall countenance or knowingly permit the delivery of Hazardous Waste or Hazardous Substances to the Disposal System.

(D) Disposal of Unacceptable Waste and Hazardous Waste. If Unacceptable Waste or Hazardous Waste is discovered in a vehicle at any landfill within the Disposal System, the driver of the vehicle will not be permitted to discharge the load. If a vehicle is observed unloading Unacceptable Waste or Hazardous Waste in the tipping area of a landfill within the Disposal System Department personnel will use reasonable efforts to assure that such material has been characterized, properly secured and its disposition resolved. The return or reloading onto the delivery vehicle of any Hazardous Waste, Prohibited Medical Waste or other waste requiring handling or transportation shall be conducted in accordance with Applicable Law. Whenever Hazardous Waste is detected at any landfill within the Disposal System, the Department shall take immediate action in accordance with Applicable Law.

(E) Source-Separated Household Hazardous Waste. The County shall maintain, as part of the Disposal System, a Source-Separated Household Hazardous Waste Disposal System for the disposal of Source-Separated Household Hazardous Waste. The disposal service provided by such system shall constitute part of the Disposal Services, and shall be available to Participating Cities as part of the Contract Rate. The County may impose additional fees and charges for services relating to Source-Separated Household Hazardous Waste with respect to cities which are not parties to a Disposal Agreement. The County may provide for the expansion, contraction or modification of the Source-Separated Household Hazardous Waste Disposal System and its services to the extent necessary to ensure the Disposal System's viability; provided, however, if the County chooses to reduce services, the County shall nonetheless continue to expend funds for the Source-Separated Household Hazardous Waste Disposal System each year during the term of this Agreement in an amount at least equal to the amount of funds expended for the Source-Separated Household Hazardous Waste Disposal System during fiscal year 2006-07 as adjusted by changes in the Producer Price Index.

SECTION 3.4 UNINCORPORATED AREA ACCEPTABLE WASTE. Commencing on the Commencement Date, the County in accordance with Applicable Law shall provide or cause to be provided the service of disposing of non-recycled Acceptable Waste originating or generated within the Unincorporated Area and, with respect to such waste, shall comply with the Waste Disposal Covenant as if the County constituted a City subject to the Waste Disposal Covenant hereunder. Rates charged by the County for the disposal of each class of non-recycled Acceptable Waste generated in the Unincorporated Area shall be the same as the Contract Fee charged for the disposal of each class of Controllable Waste. The County shall use its best efforts to preserve, protect and defend its right to exercise and comply with the Waste Disposal Covenant (with respect to non-recycled Acceptable Waste generated in the Unincorporated Area) against any challenge thereto, legal or otherwise, by a Franchise Hauler or any other person, based upon breach of contract, violation of law or any other legal theory. The County shall bear the cost and expense of any such Legal Proceeding or other challenge (with respect to non-recycled Acceptable Waste generated in the Unincorporated Area).

SECTION 3.5 MISCELLANEOUS OPERATIONAL MATTERS.

(A) Operating Hours. The County shall keep the Disposal System open for the receiving of Controllable Waste during such regular operating hours as may be established by the Department in the operating rules and regulations applicable to the Disposal System. The County shall utilize best efforts to maintain substantially similar hours, as were in effect on January 2, 2009, for the receipt of waste through the term of this Agreement (subject to Applicable Law).

(B) Scales and Weighing. The Department shall operate and maintain permanent scales at the Disposal System. The Department shall weigh all vehicles delivering waste by or on behalf of the City (whether or not the County accepts such waste) and prepare a daily weight record with regard to such delivery.

(C) Service Coordinator. The County and the City each shall designate in writing thirty days prior to the expected Commencement Date a person to transmit instructions, receive information and otherwise coordinate service matters arising pursuant to this Agreement (each a "Service Coordinator"). Either party may designate a successor or substitute Service Coordinator at any time by notice to the other party.

(D) Review of Records. Each party may review the other party's books and records with respect to matters relevant to the performance by either party under this Agreement or otherwise related to the operation of the Disposal System to the extent allowed under the California Public Records Act (interpreted as if the parties to this Agreement were natural persons for purposes of the Public Records Act).

SECTION 3.6 OTHER USERS OF THE DISPOSAL SYSTEM.

(A) On or Before July 23, 2009, the County shall have the right to enter into waste disposal agreements with Orange County entities with respect to Acceptable Waste which was originally discarded by the first generator thereof within the geographical limits of the County, including other cities in the County, Sanitary Districts, Transfer Stations and Independent Haulers, which waste disposal agreements shall have terms and provisions substantially identical to the terms and provisions of this Agreement; provided, however, that in no event shall such agreements have terms and provisions more favorable than the terms and provisions of this Agreement (including but not limited to the Contract Rate and availability of disposal capacity).

(B) After July 23, 2009, the County shall have the right to enter into waste disposal agreements with Orange County entities, including any city, Sanitary District, Transfer Station and Independent Hauler, or otherwise accept Acceptable Waste from such parties, but only within the limitations contained in this Section. Any such agreement or waste acceptance agreement must provide that the party delivering waste shall pay a Posted Disposal Rate at least 10% higher than the Contract Rate unless the County determines it is in the best interest of the Disposal System to establish a Posted Disposal Rate less than 10% higher than the Contract Rate. In no event shall the Posted Disposal Rate be equal to or less than the Contract Rate. In addition, the County shall reserve the right in any such waste disposal agreement at any time, to the extent permitted by Applicable Law, to refuse to receive and dispose of Acceptable Waste from any city, County Sanitary District, Transfer Station and Independent Hauler if and to the extent that such receipt and disposal may materially and adversely affect the ability of the County to comply with its obligations to the Participating Cities under the Disposal Agreements to which each is a party.

(C) Receipt of Imported Acceptable Waste on a Contract Basis. The County shall have the right to enter into a contract or other agreement with any municipal or private non-County entity for the delivery of Imported Acceptable Waste on terms and conditions that the County determines to be necessary to ensure and enhance the viability of the Disposal System for the benefit of the County and the Participating Cities and to generate Net Import Revenues. The County certifies that in its good faith judgment the contract or other agreement for the delivery of such waste will not materially and adversely affect the ability of the County to receive and dispose of Acceptable Waste from the Participating Cities in accordance with the applicable Disposal Agreements throughout the Term thereof. The term of any such agreement for the disposal of Imported Acceptable Waste shall end by the later to occur of (i) December 31, 2015 or (ii) the date on which County general purpose revenues are no longer expended to pay debt service on the Orange County Public

Financing Authority Lease Revenue Refunding Bonds Series 2005, but in no event later than the last day of the fiscal year commencing July 1, 2015.

(D) Self Haulers. The City and the County acknowledge that Self-Haulers shall be entitled to deliver Self-Hauled Waste to the Disposal System, on a non-contract basis, at the Posted Disposal Rate. Such Self-Haulers shall not be entitled to dispose of Acceptable Waste for the Contract Rate.

(E) Application and Use of Revenues From Other Users. All revenues received by the County from the disposal of County Acceptable Waste by the Disposal System, and all revenues received by the County from the disposal of Imported Acceptable Waste by the Disposal System, shall be deposited by the County in the County OC Waste & Recycling Enterprise Fund and shall constitute revenues of the Disposal System. Pursuant to the County's Plan of Adjustment, the County is entitled to receive net revenues (after payment of all costs attributable to the acceptance of such Imported Acceptable Waste at the Disposal System) ("Net Import Revenues") from the disposal of Imported Acceptable Waste by the Disposal System, and such Net Import Revenues may be used for the payment of bankruptcy related obligations in accordance with the Plan of Adjustment. Costs attributable to the disposal of Imported Acceptable Waste include deposits to the Environmental Fund, deposits to closure and postclosure reserves, City host fees (if applicable), incremental operating costs (such as manpower expenditures, equipment, services and supplies expenditures), state surcharges, and a pro rata share of capital project costs. The parties acknowledge that their intention in determining to allow the importation of Imported Acceptable Waste for disposal by the Disposal System is to stabilize the Contract Rate at rates below those which would otherwise prevail in the absence of such importation.

SECTION 3.7 COUNTY PROVISION OF WASTE DIVERSION SERVICES.

(A) County-Wide Recycling Services. This Agreement does not require the County to provide for any source reduction, materials recovery, recycling, composting, or other waste diversion services by the County nor any payment therefor by the City, by Franchise Haulers or by ratepayers; provided, however, any County-Wide Recycling Services may be funded through the County OC Waste & Recycling Enterprise Fund. Any such recycling services may be expanded, contracted or modified by the County at any time in its sole discretion.

(B) Separate City-County Diversion Service Agreements. Nothing in this Agreement is intended to limit the right of the County to enter into a separate agreement with the City or any other person to provide source reduction, materials recovery, recycling, composting or other waste diversion services. Any such program conducted by the County, whether in participation with the City, any other of the Participating Cities, other Cities, Sanitary Districts, Transfer Stations, Independent Haulers, Unincorporated Area or non-County entity, shall be operated, managed and accounted for as a program separate and distinct from the Disposal Services program contemplated by the Disposal Agreements and shall not be funded through the general revenues of the Disposal System.

ARTICLE IV CONTRACT RATE

SECTION 4.1 CHARGING AND SECURING PAYMENT OF CONTRACT RATE. The City acknowledges that the County shall have the right to charge and collect a Contract Rate for the acceptance and disposal of Controllable Waste delivered to the System by any Franchise Hauler. The Contract Rate shall be calculated and established, and may be modified, as provided in Section 4.2 hereof. In addition, the City acknowledges that the County shall have the right to establish as part of the operating rules and regulations reasonable measures to secure the payment of all Contract Rates.

SECTION 4.2 CONTRACT RATE.

(A) Establishment of Contract Rate. The Contract Rate payable by each Franchise Hauler shall be (x) \$22.00 per ton from the Commencement Date through June 30, 2010, and (y) \$29.95 per ton on and after July 1, 2010, in both cases contingent on the delivery to the Disposal System of an amount of Acceptable Waste at

least equal to the Cumulative Tonnage Targets identified in Appendix 2, and subject to adjustment necessary to reflect the circumstances set forth in this Section 4.2:

(i) increased costs incurred by the County (in excess of available insurance proceeds) due to the occurrence of one or more Uncontrollable Circumstances, other than Changes in Law;

(ii) costs incurred by the County (in excess of available insurance proceeds and amounts available in the Environmental Fund for such purposes) remediating environmental conditions at the Disposal System or inactive or closed disposal sites in the County, which, if uncorrected, could give rise to potential claims under CERCLA or related federal or state statutes, including costs incurred providing indemnification to any Participating City pursuant to subsection 7.3; or

(iii) tonnage shortfalls to the extent permitted by Sections 4.2(B);

(iv) average annual inflation prior to July 1, 2010 in excess of the levels set forth in Section 4.2(H) and escalation pursuant to Section 4.2(F) ;

(v) increased costs incurred by the County (in excess of available insurance proceeds) due to the occurrence of one or more Changes in Law; or

(vi) Capital Costs in excess of the Capital Costs at any point in time during the term hereof exceeding the Cumulative Capital Costs set forth in Appendix 3.

Prior to adjusting the Contract Rate as a result of any of the circumstances described in clauses (i), (ii) or (iii) above, the County shall utilize the following remedies in the following order of priority:

(x) reduce the costs of operating the Disposal System to the extent practicable; and

(y) utilize Unrestricted Reserves to pay costs of the Disposal System.

The County will not be required to utilize such remedies prior to adjusting the Contract Rate as a result of any of the circumstances described in clauses (iv), (v) or (vi) above.

Any adjustments to the Contract Rate permitted by this Section shall be calculated by the County to reflect the actual costs or expenses of addressing the circumstance or circumstances pursuant to which the adjustment is authorized. The County agrees that it will evaluate the feasibility of long term financing for significant capital costs where appropriate.

(B) County Acceptable Waste Shortfall. In the event that the actual amount of County Acceptable Waste delivered to the Disposal System at the end of any Contract Year is less than the Cumulative Tonnage Target for such Contract Year for County Acceptable Waste, as specified in Appendix 2, the County shall utilize the following options, in the following order of priority, in order to remedy any adverse effects of such tonnage shortfall:

(i) reduce the costs of operating the Disposal System to the extent practicable;

(ii) utilize Restricted Reserves described in clause (iii) of Section 4.5 to pay costs of the Disposal System;

(iii) utilize Unrestricted Reserves to pay costs of the Disposal System; and

(iv) adjust the Contract Rate.

In the event that implementation of the steps described above does not result in sufficient revenues to satisfactorily address the shortfall in tonnage, the County shall have the right to terminate the Agreement on 60 days written

notice to the City. In addition, in the event that actual deliveries to the Disposal System exceed the Cumulative Tonnage Target as of the end of any Contract Year, the City acknowledges the County shall have the right to establish reserves intended to reflect the potential for lower than expected annual waste deliveries in subsequent years, and that any such reserves shall constitute "Restricted Reserves".

(C) [RESERVED]

(D) Interim Use of Remedies. In the event that, during any Contract Year, waste deliveries to the Disposal System are 25% or more below delivery projections for such Contract Year with the result that the County determines it is unlikely that the Cumulative Tonnage Target will be achieved as of the end of such Contract Year, the County may utilize the remedies described in Section 4.2(B) prior to the end of such Contract Year; provided, however, that if at the end of such Contract Year, the Cumulative Tonnage Target is actually met, the County shall reimburse any adjustments to the Contract Rate made pursuant to this Section to Participating Cities. Such reimbursement may be given as a credit or adjustment to the Contract Rate for future deliveries, rather than a lump sum payment.

(E) Special Charges. Notwithstanding Section 4.2(A), the County shall have the right to impose special charges for the receipt of hard to handle materials, such as bulky materials, construction and demolition debris, tree stumps and sludge. Such special charges shall be calculated to reflect the reasonable incremental costs to the County of accepting such hard to handle materials. In addition, in the event that the Board of Supervisors of the County makes a determination to implement a facility (including but not limited to a transfer station, landfill, conversion technology facility, or a materials recovery or processing facility), which facility would be intended to provide for disposal alternatives after the closure of one or more of the landfills currently operating within the Disposal System, the County may impose an additional charge of \$0.50 per ton of Acceptable Waste in order to pay the costs of the study, development, planning, construction and/or operation of such facility.

Adjustments pursuant to this Section 4.2(E) shall not require compliance with the provisions of Section 4.2(I).

(F) Escalation. The Contract Rate shall be adjusted each July 1, beginning July 1, 2011. The change will be equal to the positive percentage change in the Consumer Price Index – All Urban Consumers, U.S. city average, All items, Not Seasonally Adjusted, Series ID CUUR0000SA0 ("CPI") as measured from the October 21 months prior to the rate adjustment to the October immediately preceding the rate adjustment. For example: The July 1, 2011 rate adjustment shall be based upon the index change from October 2009, to October 2010, referred to as year 1 and year 2 respectively in the following example .

Formula to calculate percentage change in the Contract Rate:

Step 1:

$$\left[\frac{\text{October Year 2 CPI}}{\text{October Year 1 CPI}} \right] - 1 = \% \text{ increase in Contract Rate}$$

Step 2: Current Contract Rate x (1 + % increase in Contract Rate) = Contract Rate as of July 1 Year 2

On each April 1, commencing April 1, 2011, the County shall provide the City with notice of the adjustment to the Contract Rate to be effective the following July 1. Such notice shall contain the calculation of the adjustment set forth above. The County will calculate the new Contract Rate each year.

In the event that the change in the CPI is negative, no rate adjustment will be made for that year. No adjustment under this Section 4.2(F) will take place until the October CPI index surpasses the index level as of the October immediately preceding the last annual rate adjustment pursuant to this Section 4.1(F), which will be considered "year 1" in calculating the change in the Contract Rate.

For example, if the CPI is measured as follows: October 2009 = 205, October 2010 = 204, October 2011 = 201, October 2012 = 208, then there would be no adjustment in July 2011, or July 2012, and an adjustment equal to the change from 205 to 208 would be implemented on July 1, 2013.

Adjustments pursuant to this Section 4.2(F) shall not require compliance with the provisions of Section 4.2(I).

(G) Adjustment Resulting from Increased Fees. In addition to the other adjustments specified herein, the Contract Rate shall be adjusted to reflect the imposition of new fees or increase in existing fees relating to the disposal of Controllable Waste imposed by state, federal or other agencies (i.e., the State's Integrated Waste Management fee, which is currently \$1.40 per ton). The adjustment shall be equal to the amount of any new or increased fee, and the adjustment shall take effect so as to coincide with the imposition of the new or increased fee. The County shall provide notice of any increase pursuant to this Section 4.2(G) as soon as practicable after becoming aware of the imposition of any fees described above.

Adjustments pursuant to this Section 4.2(G) shall not require compliance with the provisions of Section 4.2(I).

(H) Calculation of Cumulative Inflation Rate. For purposes of Section 4.2(A)(iv) for adjustments prior to July 1, 2011, the inflation shall be calculated as the change in the CPI between July of the year of calculation and July 1, 2008. Inflation shall be deemed to exceed the levels set forth below if the ratio between the CPI for July for the year of calculation (calculated in accordance with the formula below) and July 2008 exceeds the ratio corresponding to such year of calculation on the table below. The ratio shall be calculated in accordance with the following formula:

(July CPI of calculation year / CPI for July 2008)

<i>Year of Calculation</i>	<i>Ratio</i>
July 1, 2008	1.0000
July 1, 2009	1.0356
July 1, 2010	1.0723

In the event the CPI is no longer published during the term of this Agreement, such other index identified by the Bureau of Labor Statistics or otherwise generally accepted as a replacement for CPI shall be used for purposes of this Agreement. In the event of an adjustment to the Contract Rate pursuant to this section 4.2(H), such adjustment shall be applied to the Contract Rate effective until June 30, 2010, and the Contract Rate effective July 1, 2010.

Adjustments pursuant to this Section 4.2(H) shall not require compliance with the provisions of Section 4.2(I).

(I) Procedure for Rate Adjustments. In the event the County determines that it is entitled to an adjustment of the Contract Rate pursuant to Section 4.2(A) (other than 4.2(A)(iv)) or Section 4.2(B), it shall utilize the procedures described in this Section 4.2(I). The County shall be required to provide the City with at least 90 days prior written notice of the adjustment, which notice shall identify the specific event(s) or circumstances which require the adjustment. The notice shall also specify the earliest date on which the County Board of Supervisors shall consider the proposed adjustment. At least 45 days prior to such meeting of the Board of Supervisors, the County shall provide the City with a report which shall contain the following information: a description of the specific event(s) or circumstances which require the adjustment; a description (including cost estimates) of any activities (which may include, but not be limited to capital improvements to the Disposal System) required in order to remedy such event or circumstance; certification by the County that it has implemented the remedies described in Section 4.2(A) or (B) prior to requiring the rate adjustment; and a description of the methodology used by the County to calculate the adjustment to the Contract Rate (hereinafter the "County Report"). In the event the City disputes the adjustment, it shall provide the County with a written description of the reason for the dispute at least 10 days prior to the meeting of the Board of Supervisors identified in the initial notice of the County (hereinafter the "City Report"). The City Report shall be provided to the Board of Supervisors for

consideration at such meeting in connection with the proposed rate adjustment. At any time from and after the date that the County provides the City with the County Report, upon the request of either party, the City and County shall meet and confer in good faith to resolve any dispute that may arise regarding the proposed adjustment to the Contract Rate. In any such meeting, the County shall be represented by the Director of the Department or his or her designee. In the event the Board of Supervisors approves all or a portion of the proposed rate adjustment, such rate adjustment shall become effective on the date identified in the initial notice sent by the County regardless of whether or not the procedures in Section 4.2(J) are utilized, but subject to potential reimbursement pursuant to clause (11) of Section 4.2(J).

(J) Procedure for Expedited Judicial Review of Contested Rate Adjustment. In the event that, within 30 days after the effective date of any Contract Rate adjustment made pursuant to Section 4.2(I), Participating Cities which, in the aggregate, accounted for more than 50% of the County Acceptable Waste delivered to the County System in the twelve months preceding the Contract Rate adjustment, provide notice to the County of their election to utilize the procedures described in this Section 4.2(J), then the provisions of this Section 4.2(J) shall be utilized by such Participating Cities and the County to resolve the dispute over the Contract Rate Adjustment. In the event that Participating Cities which have delivered the amount of waste contemplated in the preceding sentence do not provide notice to the County of such election, the County shall have no obligation to participate in or cooperate in the implementation of the procedures described below in this Section 4.2(J).

(1) In order to pursue the expedited judicial determination described in this Section (the "Expedited Rate Determination"), the Participating Cities which have made the election described in the paragraph above (the "Challenging Cities") must commence a civil action for breach of contract (the "Action") in the Orange County Superior Court within 45 days of the date on which the Board of Supervisors approves the challenged adjustment to the Contract Rate.

(2) Within two (2) days of filing the Action, the Challenging Cities shall personally serve on the County Counsel both the summons and complaint, and a stipulation and request for the entering of an order incorporating all of the procedural provisions relating to the Expedited Rate Determination as set forth in this Section 4.2(J) (such stipulation and request for order is hereinafter referred to as the "Expedited Rate Determination Stipulation"). The Expedited Rate Determination Stipulation shall be signed by each of the Challenging Cities.

(3) Within fifteen (15) days of the date of service upon the County of the summons and complaint, and Expedited Rate Determination Stipulation, the County Counsel shall execute the Expedited Rate Determination Stipulation and personally serve upon the Challenging Cities through their counsel of record the Expedited Rate Determination Stipulation and its answer to the complaint in the Action. The Stipulation shall also include a waiver by each of the parties of their right to a jury trial of the issues raised in the Action. The City and the County mutually agree that the duty to execute the Expedited Rate Determination Stipulation and comply with the procedures set forth for Expedited Rate Determination in this Section 4.2(J) shall be, and are hereby deemed to be, ministerial duties which the law specifically enjoins upon each of them, and shall be subject to enforcement by the parties herein pursuant to Code of Civil Procedure Section 1085, *et seq.*, or by means of a complaint for specific performance.

(4) Within three (3) days of the date of service by the County upon the Challenging Cities of the fully signed Expedited Rate Determination Stipulation, the County and the Challenging Cities shall jointly make *ex parte* application to the Orange County Superior Court in the Action for the issuance of the order contained in the Expedited Rate Determination Stipulation. At such *ex parte* application, the County and the Challenging Cities shall also seek to confirm with the Orange County Superior Court the briefing schedule, and request a hearing date in accordance with the procedures set forth in this Section 4.2(J).

(5) Within ten (10) days of the date of service by the County upon the Challenging Cities of the answer in the Expedited Rate Determination, the Challenging Cities shall file with the court and personally serve upon the County the Challenging Cities' opening brief and the Record in the Expedited Rate Determination. The opening brief shall not exceed 15 pages in length. The Record shall consist of, and be limited to, the record of the proceedings before the Board of Supervisors with respect to the adjustment of the Contract Rate, including but not limited to the County Report and the City Report prepared by each or any of the Challenging Cities pursuant to Section 4.2(I), any materials filed or lodged with the Board of Supervisors and the Orange County

Waste Commission, the transcript of the proceedings of the Board of Supervisors meeting and the Orange County Waste Commission, the minutes of the Board of Supervisors and the Orange County Waste Commission meeting, and the resolution and/or other documentation evidencing action by the Board of Supervisors and the Orange County Waste Commission to adjust the Contract Rate pursuant to Section 4.2(A) or (B). The record shall also include the most recent reports prepared pursuant to Sections 4.6 and 4.7. The Expedited Rate Determination shall be decided solely on the evidence in the Record, and no extrinsic evidence shall be submitted to or considered by the court.

(6) Within ten (10) days of service by the Challenging Cities of their opening brief and the Record, the County shall file and personally serve upon the Challenging Cities the County's opposition brief. The opposition brief shall not exceed 15 pages in length.

(7) Within five (5) days of service by the County upon the Challenging Cities of the opposition brief, the Challenging Cities may file and personally serve upon the County a rebuttal brief, which shall not exceed 10 pages in length.

(8) The trial of the Expedited Rate Determination shall be conducted as a hearing which shall be conducted at the date set by the court in the *ex parte* hearing conducted pursuant to Section 4.2(J)(4), or such other date and time ordered by the court. If the court requests the parties to prepare supplemental briefs in response to any question or issue raised by the court, the parties may do so.

(9) The standard of review for the Expedited Rate Determination shall be the preponderance of the evidence based upon the Record. The burden of proof shall be borne by the Challenging Cities, and the burden of proof shall be the same as with respect to a plaintiff in a damages action for breach of contract. Both parties have participated in the drafting of this Agreement. Accordingly, nothing set forth in this Agreement shall be interpreted or construed for or against either of the parties as a consequence of their participation in the drafting of this Agreement.

(10) The court shall issue its written statement of decision and enter judgment within thirty (30) days of the date of the hearing in the Expedited Rate Determination.

(11) If the court determines that any portion of the County's adjusted Contract Rate which is the subject of the Expedited Rate Determination was improperly imposed, the County shall, within 30 days of the date of the statement of decision, reimburse to the City the amount improperly imposed, together with interest calculated at the highest percentage rate that does not constitute usury under California laws. Such reimbursement may be made in the form of a reduction in the Contract Rate for a future period (not to exceed twelve months) reasonably calculated to provide full reimbursement of the amounts described above.

(12) If for any reason the court does not sign the order contained in the Expedited Rate Determination Stipulation, the City shall, within 30 days of the court's denial of such requested order, file with the court and personally serve upon the County a motion for summary judgment and/or motion for judgment on the pleadings, in accordance with Code of Civil Procedure Section 437(c) and 438. By executing this Agreement, the parties hereby stipulate that, in the event that the Challenging Cities file such summary judgment motion and/or motion for judgment on the pleadings, the Record shall be deemed to have been incorporated into the complaint and answer filed by the Challenging Cities and the County, and no evidence outside of the Record is relevant or material to the dispute raised in the Expedited Rate Determination. The briefing schedule and hearing on such motion for summary judgment and/or motion for judgment on the pleadings shall be in accordance with Code of Civil Procedure Section 437(c). The Challenging Cities and the County shall be bound by all of the requirements and restrictions set forth in Section 4.2(J) that are not in conflict with this paragraph (12).

(13) In the event that the court both does not sign the order contained in the Expedited Rate Determination Stipulation and either does not hear or does not issue a ruling on the merits on the motion for summary judgment and/or judgment on the pleadings which is dispositive of the issues, claims and causes of action in the complaint filed by the Challenging Cities, the County and the Challenging Cities shall, within twenty days following the issuance of the Court's order or decision not to honor the parties' stipulation or not to hear the parties' motion for summary judgment, make application to the Presiding Judge of the Orange County

Superior Court for an expedited hearing or trial date. The Challenging Cities and the County shall be bound by all of the requirements and restrictions set forth in Section 4.2(J) that are not in conflict with this paragraph (13). In this regard, and without limiting the foregoing, the only evidence to be presented at the hearing or trial shall be the Record, no testimony shall be presented at the hearing or trial; and both the County and the Challenging Cities waive all rights to a jury trial, to any reconsideration of the decision of the court, to a new trial after the court renders a decision, and to any appeal or review of the decision of the court.

SECTION 4.3 RESPONSIBILITY FOR PAYMENT OF THE CONTRACT RATE.

(A) Payment by City. In the event and to the extent (1) the City uses municipal collection forces directly for the haulage of Controllable Waste to the Disposal System or (2) the City uses non-municipal Franchise Haulers for collection but nonetheless elects to pay the Contract Rate from City revenues, the City, as its own Franchise Hauler, shall have direct responsibility for payment of the Contract Rate, and shall take all such budgetary, appropriation and other action as may be necessary to provide for the timely payment of the Contract Rate. Such action may include, depending upon the means authorized by the City to provide for such payment, the levy and collection of general or special taxes, the imposition of benefit assessments, or the collection of user fees, generator charges or other similar impositions for municipal solid waste disposal. The City shall use best efforts in accordance with Applicable Law to levy and impose all such taxes, assessments, fees or charges, and will take all steps, actions and proceedings for the enforcement, collection and payment of all such amounts which shall become delinquent, to the full extent permitted by Applicable Law. To the extent provided in Section 7.5 hereof, the obligation of the City for such Contract Rates shall be limited to amounts in the City's Solid Waste Enterprise Fund. From the Commencement Date to the date of expiration or termination of this Agreement, the obligation to the City to pay the Contract Rate, to the extent the City rather than Franchise Haulers is responsible directly for payment and provided that the Service Covenant has been complied with, shall be absolute and unconditional and shall not be subject to delay or diminution by reason of set-off, abatement, counterclaim, existence of a dispute or otherwise.

(B) Payment by Franchise Haulers. With respect to Controllable Waste delivered by Franchise Haulers other than City municipal collection forces, the obligation to pay the Contract Rate shall rest with such Franchise Haulers and not with the City and, unless the City has agreed with the County to be responsible for Franchise Hauler payments, the City shall not be financially responsible for any delay or failure by such Franchise Hauler to pay the Contract Rate or any portion thereof when due. In the event of any such failure, the County and the City shall cooperate with each other and use their best efforts to obtain timely payment. Such efforts by the County may include, as appropriate, requiring cash payments for disposal rights from such Franchise Hauler and bringing a legal proceeding for payment and damages. Such efforts by the City may include, as appropriate, legal proceedings to suspend, revoke or terminate the Franchise Hauler's franchise, permit or license rights.

(C) Disputes. If the City or the Franchise Hauler disputes any amount billed by the County in any Billing Statement, the City or the Franchise Hauler shall nonetheless pay the billed amount and shall provide the County with written objection within 30 days of the receipt of such Billing Statement indicating the amount that is being disputed and providing all reasons then known to the City or the Franchise Hauler for any objection to or disagreement with such amount. If the City or the Franchise Hauler and the County are not able to resolve such dispute within 30 days after the City's or the Franchise Hauler's objection, either party may pursue appropriate legal remedies.

SECTION 4.4 BILLING OF THE CONTRACT RATE. The County shall continue to bill Contract Rates after the Commencement Date, in the same manner as it has customarily billed tipping fees. Subject to the other provisions of this Agreement, the County shall have the right to modify or amend such manner of billing on reasonable notice to affected parties.

SECTION 4.5 RESTRICTED RESERVES. For purposes of this Agreement, "Restricted Reserves" means cash and other reserves of the Disposal System which are restricted to specific uses or are otherwise being reserved by the County to meet its obligations hereunder throughout the term of the Agreement with respect to the Disposal System pursuant to any Applicable Law, contract, adopted budget, budgetary policy of the County with respect to the Disposal System, or other arrangement. Such cash and other reserves are not required to be deposited in separate accounts or funds in order to constitute "Restricted Reserves" hereunder, and may be commingled with

Unrestricted Reserves or other funds of the County attributable to the Disposal System. "Restricted Reserves" shall include, but not be limited to, the following:

- (i) reserves for closure of components of the Disposal System to the extent required by Applicable Law;
- (ii) amounts reserved by the County for funding of post closure maintenance and monitoring with respect to components of the Disposal System;
- (iii) reserves established to protect the Disposal System against the adverse financial impact of potential decreases in waste deliveries pursuant to Section 4.2(B);
- (iv) amounts reserved to pay the costs of capital improvements with respect to the Disposal System;
- (v) amounts funded from revenues during the early years of the term of the Agreement reserved to enable the County to provide disposal services for the Contract Rate during the later years of the Agreement;
- (vi) amounts temporarily held by the County prior to payment to the State or other Governmental Bodies pursuant to Applicable Law (including any fees or charges payable to the State Integrated Waste Management Board);
- (vii) reserves required to meet bond covenants pursuant to financing agreements for Disposal System assets to the extent such amounts must be legally separate and distinct from other reserves identified in this Section;
- (viii) security deposits from landfill deferred payment program users;
- (ix) amounts held by the County in the Environmental Fund (provided, however, that such amounts in the Environmental Fund will be made available and used by the County if required to pay costs relating to environmental remediation or other related costs);
- (x) AB939 surcharges;
- (xi) amounts held by the County in the Corrective Action Fund held pursuant to CCR Title 27 to demonstrate financial assurance to pay for potential groundwater contamination; and
- (xii) an amount equal to three months of budgeted expenses for the Disposal System for the current fiscal year, representing working capital of the Disposal System.

SECTION 4.6 AUDITED FINANCIAL STATEMENTS. The County shall annually, on or before January 1 each year, prepare or cause to be prepared and have on file for inspection an annual report for the preceding Contract Year, accompanied by a certificate of an independent public accountant or of the County Auditor and Controller as to the examination of the financial statements therein (describing such statements as fairly presenting the information therein in conformity with generally accepted accounting principles) relating to the Disposal System, the Disposal Services, and the fiscal activities of the County OC Waste Disposal Enterprise Fund, and including statements in reasonable detail of the financial condition of the County OC Waste Disposal Enterprise Fund as of the end of the Contract Year and revenue and expenses for the Contract Year.

SECTION 4.7 ANNUAL UPDATE OF TEN-YEAR FINANCIAL PROJECTION. The County shall annually, on or before May 1 of each year, prepare or cause to be prepared, an updated Ten-Year Financial Projection for the Disposal System. Said Financial Projection shall include at least two full years of prior actual data and ten years of future projections including the following elements:

1. County Acceptable Waste, in tons;
2. Imported Acceptable Waste, in tons;
3. Revenues and expenditures;
4. Cash fund balances, including all monies in the County Solid Waste Enterprise Fund, with specific delineation of monies in the Environmental Fund, Restricted Reserves, Unrestricted Reserves, and all other funds of the System.
5. Projected liabilities for closure and post closure as well as reasonable reserves for other environmental costs.

The purpose of the Ten-Year Financial Projection is to keep the City fully informed about the future financial condition of the Disposal System. The County shall cause a copy of the Ten-Year Financial Projection to be delivered to the City Manager of the City no later than May 1 of each year. Upon request, the County shall make available to the Cities supporting information related to the ten-year financial projection

ARTICLE V BREACH, ENFORCEMENT AND TERMINATION

SECTION 5.1 BREACH. The parties agree that in the event either party breaches any obligation under this Agreement or any representation made by either party hereunder is untrue in any material respect, the other party shall have the right to take any action at law or in equity (including actions for injunctive relief, mandamus and specific performance) it may have to enforce the payment of any amounts due or the performance of any obligations to be performed hereunder. Neither party shall have the right to terminate this Agreement except as provided in Section 5.2 and Section 5.3 hereof or as otherwise provided in this Agreement.

SECTION 5.2 CITY CONVENIENCE TERMINATION. The City shall have the right to terminate this Agreement in its sole discretion, for its convenience and without cause at any time during the Term hereof upon 90 days' written notice to the County. If the City exercises its rights to terminate the Agreement pursuant to this Section, the City shall pay the County a termination fee equal to the Contract Rate in effect at the time of such termination (or any higher rate with respect to which the County has provided notice pursuant to Section 4.2) multiplied by the number of tons of City Acceptable Waste delivered to the Disposal System during the preceding twelve months (or, if the City had been in breach of the Waste Disposal Covenant during such prior months, such amount as would have been delivered if the City had complied with the Waste Disposal Covenant), multiplied by the number of years remaining in the Term of the Agreement.

SECTION 5.3 TERMINATION.

(A) **By City.** Except as expressly provided herein, the City shall have no right to terminate this Agreement for cause except in the event of the repeated failure or refusal by the County substantially to perform any material obligation under this Agreement unless such failure or refusal is excused by an Uncontrollable Circumstance; except that no such failure or refusal shall give the City the right to terminate this Agreement for cause under this subsection unless:

(1) The City has given prior written notice to the County stating that a specified failure or refusal to perform exists which will, unless corrected, constitute a material breach of this Agreement on the part of the County and which will, in its opinion, give the City the right to terminate this Agreement for cause under this subsection unless such breach is corrected within a reasonable period of time, and

(2) The County has neither challenged in an appropriate forum (in accordance with Section 5.5) the City's conclusion that such failure or refusal to perform has occurred or constitutes a material breach of this Agreement nor corrected or diligently taken steps to correct such breach within a reasonable period of time not more than 90 days from the date of the notice given pursuant to clause (1) of this subsection (but if the

County shall have diligently taken steps to correct such breach within such reasonable period of time, the same shall not constitute a breach giving rise to the right of termination for as long as the County is continuing to take such steps to correct such breach).

(B) By County. Except as expressly provided herein, the County shall have no right to terminate this Agreement for cause except in the event of the repeated failure or refusal by the City substantially to perform any material obligation under this Agreement unless such failure or refusal is excused by an Uncontrollable Circumstance; except that no such failure or refusal shall give the County the right to terminate this Agreement for cause under this subsection unless:

(1) The County has given prior written notice to the City stating that a specified failure or refusal to perform exists which will, unless corrected, constitute a material breach of this Agreement on the part of the City and which will, in its opinion, give the County right to terminate this Agreement for cause under this subsection unless such breach is corrected within a reasonable period of time, and

(2) The City has neither challenged in an appropriate forum (in accordance with Section 5.5) the County's conclusion that such failure or refusal to perform has occurred or constitutes a material breach of this Agreement nor corrected or diligently taken steps to correct such breach within a reasonable period of time not more than 90 days from the date of the notice given pursuant to clause (1) of this subsection (but if the City shall have diligently taken steps to correct such breach within such reasonable period of time, the same shall not constitute a breach giving rise to the right of termination for as long as the City is continuing to take such steps to correct such breach).

SECTION 5.4 NO WAIVERS. No action of the County or the City pursuant to this Agreement (including, but not limited to, any investigation or payment), and no failure to act, shall constitute a waiver by either party of the other party's compliance with any term or provision of this Agreement. No course of dealing or delay by the County or the City in exercising any right, power or remedy under this Agreement shall operate as a waiver thereof or otherwise prejudice such party's rights, powers and remedies. No single or partial exercise of (or failure to exercise) any right, power or remedy of the County or the City under this Agreement shall preclude any other or further exercise thereof of the exercise of any other right, power or remedy.

SECTION 5.5 FORUM FOR DISPUTE RESOLUTION. It is the express intention of the parties that all legal actions and proceedings related to this Agreement or to the Disposal System or to any rights or any relationship between the parties arising therefrom shall be solely and exclusively initiated and maintained in courts of the State of California having appropriate jurisdiction.

ARTICLE VI TERM

SECTION 6.1 EFFECTIVE DATE AND TERM.

(A) Initial Term. This Agreement shall become effective, shall be in full force and effect and shall be legally binding upon the City and the County from the Contract Date and shall continue in full force and effect until June 30, 2020, unless earlier terminated in accordance with its terms, in which event the Term shall be deemed to have expired as of the date of such termination.

(B) Option to Renew. This Agreement shall be subject to renewal by mutual agreement of the parties, on or before June 30, 2018, for an additional term of ten years (the "Renewal Term") on the same terms and conditions as are applicable during the Initial Term hereof. The City shall give the County written notice of its irrevocable election to renew this Agreement on or before June 30, 2017. If the parties do not renew this Agreement by June 30, 2018, the Agreement shall expire on June 30, 2020.

(C) Contract Rate During Renewal Term. In connection with the parties' right to renew this Agreement for an additional ten-year term pursuant to Section 6.1(B), the parties shall, on or before June 30, 2018, negotiate an applicable change in the Contract Rate for such renewal term. In determining any revisions to the

Contract Rate to be applicable during any renewal period, in addition to the circumstances described in Section 4.2(A), the parties may take into consideration the following parameters, including but not limited to:

- (i) actual cost of operations;
- (ii) population growth;
- (iii) increase or decrease in available tonnage;
- (iv) economic and disposal market conditions in the Southern California region;
- (v) changes in transportation and technology;
- (vi) closure and expansion of nearby landfills;
- (vii) capacity of the Disposal System; and
- (viii) available reserves which are in excess of the amount reasonably required as reserves.

(D) Survival; Accrued Rights. The rights and obligations of the parties hereto pursuant to Sections 3.1(E)(2), 5.1, 5.3, 5.5, 7.2, 7.3, 7.5, 7.7, 7.8, 7.9, and 7.10 hereof shall survive the termination or expiration of this Agreement, and no such termination or expiration shall limit or otherwise affect the respective rights and obligations of the parties hereto accrued prior to the date of such termination or expiration. At the end of the Term of this Agreement, all other obligations of the parties shall terminate.

SECTION 6.2 COMMENCEMENT DATE.

(A) Obligations of the Parties Prior to the Commencement Date. The parties acknowledge that the Disposal Agreements may be executed and delivered on different dates and that, except as provided in this subsection, neither the County nor the City shall be obligated to perform its obligations hereunder until the participation threshold provided herein has been met and the other conditions to the occurrence of the Commencement Date have occurred. Prior to the Commencement Date, each party hereto shall at its own expense exercise good faith and due diligence and take all steps within its reasonable control in seeking to satisfy the conditions to the Commencement Date set forth herein as soon as reasonably practicable. The County and the City, each at its own expense, shall cooperate fully with each other and the other Participating Cities in connection with the foregoing undertaking. Until the Commencement Date occurs, the Original WDAs shall remain in full force and effect.

(B) Condition to the Commencement Date. The Commencement Date for the Agreement shall be the date on which the percentage of the County's Acceptable Waste attributable to Participating Cities which have executed and delivered Disposal Agreements shall exceed 85% percent (using the percentage rates attributed to such Cities in Appendix 1). Unincorporated County is assumed to be a Participating City for the purposes of determining the Commencement Date in accordance with this Section 6.2(b) and Appendix 1 of this Agreement.

(C) Satisfaction of Condition and Commencement Date. Upon the satisfaction or waiver of the condition to the Commencement Date, the County shall give written notice thereof to the cities which have theretofore executed Disposal Agreements. The parties shall thereupon hold a formal closing acknowledging the satisfaction or waiver of the condition to the Commencement Date, certifying that the Commencement Date has occurred and designating the Participating Cities. Copies of all of the documents or instruments constituting or evidencing satisfaction of the Commencement Date conditions shall be furnished to each party prior to or on the Commencement Date.

(D) Newly Incorporated Cities. Any city within Orange County which becomes incorporated after the Commencement Date shall upon request be offered the opportunity by the County to become a Participating City. If any such City executes a Disposal Agreement and meets the applicable condition provided in subsection 6.2(B) hereof within 180 days following the date of its municipal incorporation, then such City shall be entitled to execute a Waste Disposal Agreement on substantially the same terms and conditions as this Agreement (including the Contract Rate), notwithstanding the limitations contained in Section 3.6(B).

(E) Failure of Condition. If by July 23rd 2009 [120 DAYS AFTER BOARD APPROVAL], or such later date as the County may agree, the condition to the Commencement Date specified in this Section is not satisfied, either party hereto may, by notice in writing to the other party, terminate this Agreement. Neither party shall be liable to the other for the termination of this Agreement pursuant to this subsection, and each of the parties shall bear its respective costs and expenses incurred in seeking to satisfy the condition to the Commencement Date. Notwithstanding anything in this Agreement to the contrary, in the event that this Agreement is terminated pursuant to this Section, the provisions of the Original WDA shall remain in full force and effect on the terms and conditions set forth therein.

ARTICLE VII GENERAL PROVISIONS

SECTION 7.1 OPERATION AND MAINTENANCE OF THE DISPOSAL SYSTEM. The County, at its cost and expense through the County Solid Waste Enterprise Fund, shall at all times operate, or caused to be operated, the Disposal System in accordance with Applicable Law and the operating rules and regulations of the Department.

SECTION 7.2 UNCONTROLLABLE CIRCUMSTANCES GENERALLY

(A) Performance Excused. Except as otherwise specifically provided in this Agreement, neither the County nor the City shall be liable to the other for any failure or delay in the performance of any obligation under this Agreement (other than any payment at the time due and owing) to the extent such failure or delay is due to the occurrence of an Uncontrollable Circumstance.

(B) Notice, Mitigation. The party experiencing an Uncontrollable Circumstance shall notify the other party by telecommunication or telephone and in writing, on or promptly after the date the party experiencing such Uncontrollable Circumstance first knew of the commencement thereof, followed within 15 days by a written description of (1) the Uncontrollable Circumstance and the cause thereof (to the extent known), (2) the date the Uncontrollable Circumstance began and the cause thereof, its estimated duration, the estimated time during which the performance of such party's obligations hereunder will be delayed, (3) the estimated amount, if any, by which the Contract Rate may need to be adjusted as a result of such Uncontrollable Circumstance, (4) its estimated impact on the other obligations of such party under this Agreement and (5) potential mitigating actions which might be taken by the County or City and any areas where costs might be reduced and the approximate amount of such cost reductions. Each party shall provide prompt written notice of the cessation of such Uncontrollable Circumstance. Whenever such act, event or condition shall occur, the party claiming to be adversely affected thereby shall, as promptly as reasonably possible, use its best efforts to eliminate the cause therefor, reduce costs and resume performance under this Agreement. In addition, with respect to Changes in Law, the County shall diligently contest any such changes the imposition of which would have a material adverse impact on the Disposal System. While the delay continues, the County or City shall give notice to the other party, before the first day of each succeeding month, updating the information previously submitted.

(C) Impact on Contract Rate. If and to the extent that Uncontrollable Circumstances interfere with, delay or increase the cost to the County of meeting its obligations hereunder and providing Disposal Services to the Participating Cities in accordance herewith, the County shall be entitled to an increase in the Contract Rate as provided in Section 4.2 herein or an extension in the schedule for performance equal to the amount of the increased cost or the time lost as a result thereof. The proceeds of any insurance available to meet any such increased cost shall be applied to such purpose prior to any determination of cost increases payable under this subsection. Any cost reductions achieved through the mitigating measures undertaken by the County pursuant to subsection 7.2(B) hereof upon the occurrence of an Uncontrollable Circumstance shall be reflected in a reduction of the amount by which the

Contract Rate would have otherwise been increased or shall serve to reduce the Contract Rate to reflect such mitigation measures, as applicable.

SECTION 7.3 INDEMNIFICATION. To the extent permitted by law, the County agrees that, it will protect, indemnify, defend and hold harmless the City from and against all Loss-and-Expense arising from the City's activity as an "arranger" (for purposes of and as such term is defined under CERCLA or comparable state statutes) of municipal solid waste disposal pursuant to this Agreement. In the event the City shall determine that because of conflict or any other reason that it wishes to be defended by legal counsel other than the legal counsel provided by the County, the cost of providing such legal counsel shall be the City's sole responsibility. The City acknowledges the County's legitimate interest in actively participating in any defense, litigation or settlement whether the County or the City provides legal counsel. Any costs incurred by the County pursuant to this Section shall be considered an Uncontrollable Circumstance cost and the County shall be entitled to adjust the Contract Rate as provided in subsection 4.2(A) herein. The County shall not, however, be required to indemnify or defend the City from and against all Loss-and-Expense arising from any willful, knowing, illegal or negligent disposal of hazardous waste (other than incidental amounts of Household Hazardous Waste commonly found in municipal solid waste and permitted to be disposed in Class III landfills under RCRA) which violates the County's landfill permits or Applicable Law. The parties agree that this provision constitutes an indemnity under CERCLA (to the extent of the specific provisions of this Section). The parties acknowledge that this subsection is not intended to and does not create any obligation on the part of the County to provide any indemnification or defense to any Franchise Hauler, whether franchised or not, or any Independent Hauler or Transfer Station, under any circumstances. The City acknowledges the County's legitimate interest in actively participating in any defense, litigation or settlement, and shall, as a condition to this indemnity, coordinate fully with the County in the defense.

SECTION 7.4 RELATIONSHIP OF THE PARTIES. Neither party to this Agreement shall have any responsibility whatsoever with respect to services provided or contractual obligations or liabilities assumed by the other party hereto, whether accrued, absolute, contingent or otherwise, or whether due or to become due. The County is an independent contractor of the City and nothing in this Agreement shall be deemed to constitute either party a partner, agent or legal representative of the other party or to create any fiduciary relationship between the parties.

SECTION 7.5 LIMITED RECOURSE.

(A) To the City. Except in the event the City has not established or maintained a City Solid Waste Enterprise Fund, no recourse shall be had to the general funds or general credit of the City for the payment of any amount due the County hereunder, or the performance of any obligation incurred hereunder, including any Loss-and-Expense of any nature arising from the performance or non-performance of the City's obligations hereunder. The sole recourse of the County for all such amounts shall be to the funds held in any such Solid Waste Enterprise Fund. All amounts held in any City Solid Waste Enterprise Fund shall be held for the uses permitted and required thereby, and no such amounts shall constitute property of the County. The City shall make adequate provision in the administration of any City Solid Waste Enterprise Fund for the payment of any amount or the performance of any obligation which may be due hereunder.

(B) To the County. No recourse shall be had to the general funds or general credit of the County for the payment of any amount due the City hereunder, or the performance of any obligation incurred hereunder, including any Loss-and-Expense of any nature arising from the performance or non-performance of the County's obligations hereunder. The sole recourse of the City for all such amounts shall be to the funds held in the County Solid Waste Enterprise Fund in accordance with the terms of this Agreement. All amounts held in the County Solid Waste Enterprise Fund shall be held for the uses permitted and required thereby, and no such amounts shall constitute property of the City. The County shall make adequate provision in the administration of the County Solid Waste Enterprise Fund for the payment of any amount or the performance of any obligation which may be due hereunder.

SECTION 7.6 PRE-EXISTING RIGHTS AND LIABILITIES. Nothing in this Agreement is intended to affect, release, waive or modify any rights, obligations or liabilities which any party hereto may have to or against the other party as of the Contract Date relating to the disposal of waste in the Disposal System or any other related matter.

SECTION 7.7 NO VESTED RIGHTS. The City shall not acquire any vested property, license or other rights in the Disposal System by reason of this Agreement.

SECTION 7.8 LIABILITY FOR COLLECTION, TRANSPORTATION AND PROCESSING. Any liability incurred by the City as a result of collecting Acceptable Waste or processing it for diversion from landfill, or as a result of causing, franchising, permitting, licensing, authorizing or arranging any of the foregoing, shall be its sole liability, except as expressly otherwise provided herein.

SECTION 7.9 NO CONSEQUENTIAL OR PUNITIVE DAMAGES. In no event shall either party hereto be liable to the other or obligated in any manner to pay to the other any special, incidental, consequential, punitive or similar damages based upon claims arising out of or in connection with the performance or non-performance of its obligations or otherwise under this Agreement, or the material inaccuracy of any representation made in this Agreement, whether such claims are based upon contract, tort, negligence, warranty or other legal theory.

SECTION 7.10 AMENDMENTS. Neither this Agreement nor any provision hereof may be changed, modified, amended or waived except by written agreement duly authorized and executed by both parties.

SECTION 7.11 NOTICE OF LITIGATION. Each party shall deliver written notice to the other of any Legal Proceeding to which it is a party and which questions the validity or enforceability of this Agreement executed by the City or the County or any Legal Entitlement issued in connection herewith.

SECTION 7.12 FURTHER ASSURANCES. At any and all times the City and the County so far as may be authorized by law shall pass, make, do, execute, acknowledge and deliver any and every such further resolutions, acts, deeds, conveyances, instruments, assignments, transfers and assurances as may be necessary or reasonably requested by the other in order to give full effect to this Agreement.

SECTION 7.13 ASSIGNMENT OF AGREEMENT. (A) Assignment. Neither this Agreement nor any of the rights or obligations hereunder may be assigned by either party hereto without the prior written consent of the other party, which may be withheld in the other party's sole discretion. Notwithstanding the foregoing, either party may assign this Agreement to another public entity, subject to the reasonable consent of the other party. In such circumstances the party not requesting the assignment shall have the right to demand assurances of the financial, technical and legal ability of the proposed assignee to undertake the responsibilities and obligations of the assigning party.

(B) Sale. The County shall not enter into any agreement for the sale of the Disposal System which provides for an effective date for such sale prior to the termination of this Agreement.

SECTION 7.14 INTEREST ON OVERDUE OBLIGATIONS. Except as otherwise provided herein, all amounts due hereunder, whether as damages, credits, revenue or reimbursements, that are not paid when due shall bear interest at the Overdue Rate on the amount outstanding from time to time, on the basis of a 365-day year, counting the actual number of days elapsed, and all such interest accrued at any time shall, to the extent permitted by Applicable Law, be deemed added to the amount due, as accrued.

SECTION 7.15 BINDING EFFECT. This Agreement shall bind and inure to the benefit of the parties hereto and any successor or assignee acquiring an interest hereunder consistent with the provisions of Section 7.13 hereof.

SECTION 7.16 NOTICES. Any notice or communication required or permitted hereunder shall be in writing and sufficiently given if delivered in person or sent by certified or registered mail, postage prepaid, to the notice address of the respective parties set forth on the cover page of this Agreement. Changes in the respective addresses to which such notices may be directed may be made from time to time by any party by notice to the other party.

IN WITNESS WHEREOF, COUNTY and CITY have caused this Agreement to be executed by their duly authorized officers or representatives as of the day and year first above written.

COUNTY OF ORANGE

Date 7/21/09

By [Signature]
Director, OC Waste & Recycling

Date 7-22-09

By [Signature]
[NAME]
City Representative
City of Brea

Date 7-22-09

By [Signature]
[NAME]
City Representative
City of Brea

APPROVED AS TO FORM:
COUNTY COUNSEL
ORANGE COUNTY, CALIFORNIA
By [Signature]
Date 07.27.09

APPENDIX 1

ESTIMATED ANNUAL TONNAGE

APPENDIX 1

PERCENTAGE OF COUNTY ACCEPTABLE WASTE ATTRIBUTABLE TO PARTICIPATING CITIES FOR PURPOSE OF SECTION 6.2(b)

Jurisdiction	Percentage of County Acceptable Waste
Anaheim	13.4%
Santa Ana	10.6%
Irvine	7.5%
Huntington Beach	6.0%
Orange	5.8%
Garden Grove	5.1%
Fullerton	4.5%
Unincorporated Orange County ⁽¹⁾	4.3%
Costa Mesa	3.6%
Newport Beach	3.0%
Lake Forest	2.6%
Buena Park	2.5%
Mission Viejo	2.3%
Westminster	2.3%
Yorba Linda	2.3%
Brea	2.1%
Tustin	2.0%
Cypress	1.9%
La Habra	1.8%
San Clemente	1.7%
Fountain Valley	1.6%
Laguna Niguel	1.6%
Placentia	1.6%
San Juan Capistrano	1.6%
Laguna Beach	1.4%
Dana Point	1.2%
Stanton	1.1%
Rancho Santa Margarita	1.0%
Laguna Hills	0.9%
Seal Beach	0.8%
Aliso Viejo	0.7%
Los Alamitos	0.5%
La Palma	0.3%
Laguna Woods	0.2%
Villa Park	0.2%
Total	100%

(1) Unincorporated County is assumed to be a Participating City for the purposes of determining the Commencement Date in accordance with Section 6.2(b) of this Agreement.

(2) A Participating City will only be included for purposing of determining the Commencement Date upon (i) execution of a Waste Disposal Agreement by that Participating City and (ii) execution of a Hauler Acknowledgement(s) by the Franchise Hauler(s) operating within such Participating City

APPENDIX 2
CUMULATIVE TONNAGE TARGETS

APPENDIX 2

**Cumulative County Acceptable Waste Tonnage Target to be Used
for Purposes of Section 4.2 (B)**

<i>Fiscal Year</i>	<i>County Acceptable Waste Tonnage</i>	<i>Cumulative County Acceptable Waste Tonnage</i>
FY 2008-09	3,170,387	3,170,387
FY 2009-10	3,092,806	6,263,193
FY 2010-11	3,185,590	9,448,783
FY 2011-12	3,344,870	12,793,653
FY 2012-13	3,445,216	16,238,869
FY 2013-14	3,514,120	19,752,989
FY 2014-15	3,549,262	23,302,251
FY 2015-16	3,565,608	26,867,859
FY 2016-17	3,582,033	30,449,892
FY 2017-18	3,598,535	34,048,427
FY 2018-19	3,615,115	37,663,542
FY 2019-20	3,631,774	41,295,316

APPENDIX 3
 CUMULATIVE CAPITAL COSTS
 to be Used
 for Purposes of Section 4.2(A)vi

Fiscal Year (ending June 30)	Annual Capital Costs	Cumulative Capital Costs
2009	\$37,939,538	\$37,939,538
2010	\$59,343,405	\$97,282,943
2011	\$10,433,978	\$107,716,921
2012	\$13,678,113	\$121,395,034
2013	\$17,525,040	\$138,920,074
2014	\$11,259,518	\$150,179,592
2015	\$37,682,758	\$187,862,350
2016	\$5,068,800	\$192,931,150
2017	\$10,662,265	\$203,593,415
2018	\$29,397,698	\$232,991,113
2019	\$8,263,795	\$241,254,908
2020	\$45,103,805	\$286,358,713

APPENDIX 4
FORM OF HAULER ACKNOWLEDGMENT

AMENDMENT TO WASTE DISPOSAL AGREEMENT

Between

THE COUNTY OF ORANGE, CALIFORNIA

and the

CITY OF BREA

April 28, 2016
~~April 19, 2016~~

County Amendment Authorization Date:

_____, 2016

County Notice Address:

Director
OC Waste and Recycling
300 N. Flower, Suite 400
Santa Ana, CA 92703

City Amendment Authorization Date:

April 19, 2016

City Notice Address

City Manager
City of Brea
1 Civic Center Circle
Brea, CA 92821

AMENDMENT TO WASTE DISPOSAL AGREEMENT

THIS AMENDMENT TO WASTE DISPOSAL AGREEMENT (the "Amendment") is made and dated as of the date indicated on the cover page hereof between the County of Orange, a political subdivision of the State of California (the "County"), and the City designated on the cover page of this Amendment, a general law or charter city and political subdivision of the State of California (the "City").

RECITALS

The County owns, manages and operates a sanitary landfill system for the disposal of municipal solid waste generated by the cities and the unincorporated area within the County (the "Disposal System"). The Disposal System includes three active landfills and four regional household hazardous waste collection centers.

The Disposal System is used for the disposal of municipal solid waste which is not reused, recycled or otherwise diverted from landfill disposal, pursuant to the California Integrated Waste Management Act of 1989 (Division 30 of the California Public Resources Code) (the "Act").

The County has entered into waste disposal agreements in 2009 (the "Original Waste Disposal Agreements") with all of the cities in the County, including the City, as well as certain sanitary districts located in the County (the "Participating Cities"), pursuant to which the County agreed to provide disposal capacity for waste generated in or under the control of the Participating Cities, and the Participating Cities agreed to deliver or cause the delivery of waste generated in or under the control of the Participating Cities to the Disposal System, as more specifically set forth in, and subject to the terms and conditions of, the Original Waste Disposal Agreements.

The City has determined that the execution of this Amendment by the City is in the best interest of the City and will serve the public health, safety and welfare by providing greater disposal rate stability, more predictable and reliable long-term disposal service, and sound environmental management.

The County has determined that the execution by the County of this Amendment will serve the public health, safety and welfare by providing a more stable, predictable and reliable supply of municipal solid waste and the resulting service payment revenue to the Disposal System, thereby enabling the County to plan, manage, operate and finance improvements to the Disposal System on a more prudent and sound long term, businesslike basis consistent with its obligations to the State and the holders of obligations secured by its Disposal System.

Official action approving this Amendment and determining it to be in the public interest and authorizing its execution and delivery was duly taken by the County on the County authorization date indicated on the cover page hereof.

Official action approving this Amendment and determining it to be in the public interest and authorizing its execution and delivery was duly taken by the City on the City authorization date indicated on the cover page hereof.

It is, therefore, agreed as follows:

Section 1. Amendment to Original Waste Disposal Agreement.

(a) Sections 3.6(C) and 3.6(E) of the Original Waste Disposal Agreement are deleted and replaced in their entirety, as set forth below:

“(C) Receipt of Imported Acceptable Waste on a Contract Basis. Throughout the Term hereof, the County shall have the right to enter into a contract or other agreement with any municipal or private non-County entity for the delivery of Imported Acceptable Waste on terms and conditions that the County determines to be necessary to ensure and enhance the viability of the Disposal System for the benefit of the County and the Participating Cities and to generate Net Import Revenues. The County certifies that in its good faith judgment the contract or other agreement for the delivery of such waste will not materially and adversely affect the ability of the County to receive and dispose of Acceptable Waste from the Participating Cities in accordance with the applicable Disposal Agreements throughout the Term thereof.”

“(E) Application and Use of Revenues From Other Users. (1) Throughout the term hereof, all revenues received by the County from the disposal of County Acceptable Waste by the Disposal System, and all revenues received by the County from the disposal of Imported Acceptable Waste by the Disposal System (including amounts received by the County as a result of the failure of contract counterparties to deliver minimum required amounts of Imported Acceptable Waste), shall be deposited by the County in the County OC Waste & Recycling Enterprise Fund and shall constitute revenues of the Disposal System. Pursuant to the County’s Plan of Adjustment, the County is entitled to receive net revenues (after payment of all costs attributable to the acceptance of such Imported Acceptable Waste at the Disposal System) (“Net Import Revenues”) from the disposal of Imported Acceptable Waste by the Disposal System. Costs attributable to the disposal of Imported Acceptable Waste include deposits to the Environmental Fund, deposits to closure and postclosure reserves, City host fees (if applicable), operating costs (such as manpower expenditures, equipment, services and supplies expenditures), state surcharges, and a pro rata share of capital project costs. Net Import Revenues shall be used for the payment of bankruptcy related obligations until payment in full of such bankruptcy related obligations required to be paid from such Net Import Revenues pursuant to the Plan of Adjustment. It is estimated that payment in full of such bankruptcy related obligations required to be paid from such Net Import Revenues pursuant to the Plan of Adjustment will occur by the end of Fiscal Year 2017-18.

(2) Until the County’s obligation to apply Net Import Revenues for the payment of bankruptcy related obligations in accordance with the Plan of Adjustment has been satisfied in full, Net Import Revenues shall be calculated as provided in Section (3.6)(E)(1). For any period after the County’s obligation to apply Net Import Revenues for the payment of bankruptcy related obligations in accordance with the Plan of Adjustment has been satisfied in full, Net Import Revenues shall be calculated as follows:

(i) in Fiscal Year 2017-18, Net Import Revenues for each ton of Imported Acceptable Waste received shall be equal to the revenues received for the disposal of such ton of Imported Acceptable Waste (excluding any newly established per-ton fees or increases to existing per-ton fees with respect to Imported Acceptable Waste payable to the State, other regulatory agencies or cities in which facilities in the Disposal System are located) in excess of \$17.57 per ton;

(ii) in Fiscal Year 2018-19, Net Import Revenues for each ton of Imported Acceptable Waste received shall be equal to the revenues received for the disposal of such ton of Imported

Acceptable Waste (excluding any newly established per-ton fees or increases to existing per-ton fees with respect to Imported Acceptable Waste payable to the State, other regulatory agencies or cities in which facilities in the Disposal System are located) in excess of \$18.01 per ton;

(iii) in Fiscal Year 2019-20, Net Import Revenues for each ton of Imported Acceptable Waste received shall be equal to the revenues received for the disposal of such ton of Imported Acceptable Waste (excluding any newly established per-ton fees or increases to existing per-ton fees with respect to Imported Acceptable Waste payable to the State, other regulatory agencies or cities in which facilities in the Disposal System are located) in excess in excess of \$18.46 per ton; and

(iv) thereafter, Net Import Revenues shall be equal to 30% of the revenues received by the County from the disposal of Imported Acceptable Waste (excluding any newly established per-ton fees or increases to existing per-ton fees with respect to Imported Acceptable Waste payable to the State, other regulatory agencies or cities in which facilities in the Disposal System are located).

(3) After the County's obligation to apply Net Import Revenues for the payment of bankruptcy related obligations in accordance with the Plan of Adjustment has been satisfied in full (i) 50% of any Net Import Revenues (as calculated pursuant to Section 3.6(E)(2)) shall be paid to the County General Fund; and (ii) 50% of such Net Import Revenues shall be paid to the Participating Cities (and to the County, with respect to the unincorporated area) listed in Appendix 5 for use for any purpose by the Participating City, including but not limited to state mandated solid waste programs. Payments of such amounts to the County General Fund and the Participating Cities shall be made by the County within 90 days after the end of each fiscal year. The portion of Net Import Revenues specified above payable to the Participating Cities shall be apportioned in the percentages set forth in Appendix 5.

(4) The percentages set forth in Appendix 5 with respect to each Participating City will be adjusted at the end of Fiscal Year 2019-20 to reflect the percentage of actual deliveries of Acceptable Waste from each Participating City as compared to the total amount of actual deliveries from all of the Participating Cities during Fiscal Years 2017-18, 2018-19, and 2019-20. The County shall notify each Participating City of the revised percentages in Appendix 5 within 120 days after the end of Fiscal Year 2019-20. The revised percentages will be used for the allocation of Net Import Revenues generated during Fiscal Year 2020-21 and thereafter.

(b) Section 4.2(A)(z) is added to the Original Waste Disposal Agreement (immediately following Section 4.2(A)(y)) as follows:

“(z) decrease the amount of Net Import Revenues otherwise payable to the County General Fund and the Participating Cities pursuant to Section 3.6(E)(2) and Section 3.6(E)(3) and use the amount of such decrease to pay costs of the Disposal System.”

(c) Section 6.1(A) and Section 6.1(B) of the Original Waste Disposal Agreement are deleted and replaced in their entirety with the following:

“SECTION 6.1 EFFECTIVE DATE AND TERM.

(A) Initial Term. This Agreement shall continue in full force and effect until June 30, 2025, unless earlier terminated in accordance with its terms, in which event the Term shall be deemed to have expired as of the date of such termination.

(B) Option to Renew. This Agreement shall be subject to renewal by mutual agreement of the parties, on or before June 30, 2023, for an additional term of ten years (the “Renewal Term”) on the same terms and conditions as are applicable during the Initial Term hereof. The City shall give the County written notice of its irrevocable election to renew this Agreement on or before June 30, 2022. If the parties do not renew this Agreement by June 30, 2023, the Agreement shall expire on June 30, 2025.”

(d) The first sentence of Section 6.1(C) of the Original Waste Disposal Agreement is deleted in its entirety and replaced with the following:

“In connection with the parties’ right to renew this Agreement for an additional ten-year term pursuant to Section 6.1(B), the parties shall, on or before June 30, 2023, negotiate an applicable change in the Contract Rate for such renewal term.”

(e) Appendix 2 of the Original Waste Disposal Agreement is deleted in its entirety and replaced with the form attached hereto.

(f) Appendix 5 shall be added to the Original Waste Disposal Agreement as a new appendix, in the form attached hereto.

(g) All other terms and conditions of the Original Waste Disposal Agreement shall remain in full force and effect.

Section 2. Initial Payment. As consideration for the execution of this Amendment by all of the Participating Cities, and subject to the occurrence of the Amendment Effective Date pursuant to Section 3, the County agrees to pay, from the County OC Waste & Recycling Enterprise Fund, the Amendment Payment to the Participating Cities listed in Appendix 5. The aggregate Amendment Payment shall be \$5,400,000, and shall be distributed to the individual Participating Cities (including the City) in the percentages set forth in Appendix 5 by September 30, 2016.

Section 3. Effectiveness of Amendment. The provisions of this Amendment shall not become effective unless and until the Amendment has been executed by the County and all of the Participating Cities. The date on which the County and all of the Participating Cities have executed the Amendment shall be the “Amendment Effective Date.” The County shall give written notice of the Amendment Effective Date to the City. In the event that the Amendment Effective Date does not occur by June 30, 2016, this Amendment shall be automatically terminated and the County shall have no obligation to make the Amendment Payment.

Section 4. REPRESENTATIONS AND WARRANTIES OF THE PARTIES. Each of the parties to this Amendment represent and warrant that it is a political subdivision of the State of California validly existing under the Constitution and laws of the State and (ii) it has duly authorized the execution and delivery of this Amendment, and has duly executed and delivered the Amendment.

All other terms and conditions of the 2009 Original Waste Disposal Agreement not specifically changed by this Amendment, shall remain in full force and effect.

IN WITNESS WHEREOF, COUNTY and CITY have caused this Amendment to be executed by their duly authorized officers or representatives as of the day and year first above written.

COUNTY OF ORANGE

Date 4/20/16

By [Signature]
Director, OC Waste & Recycling

Date 4/20/16

By [Signature]
Christine Marick
Mayor
City of Brea

Date 4/20/16

By [Signature]
Lillian Harris-Neal
ATTEST: City Clerk
City of Brea

APPROVED AS TO FORM:
COUNTY COUNSEL
ORANGE COUNTY, CALIFORNIA



By [Signature]
James Steinmann, Deputy

APPENDIX 2

**County Acceptable Waste Tonnage Target to be Used
for Purposes of Section 4.2(b)**

<u>Fiscal Year</u>	<u>Tonnage</u>	<u>Cumulative</u>
FY 2015-16	2,724,250	2,724,250
FY 2016-17	2,681,153	5,405,403
FY 2017-18	2,638,746	8,044,149
FY 2018-19	2,597,017	10,641,166
FY 2019-20	2,558,522	13,199,688
FY 2020-21	2,520,605	15,720,293
FY 2021-22	2,483,256	18,203,549
FY 2022-23	2,483,256	20,686,805
FY 2023-24	2,483,256	23,170,061
FY 2024-25	2,483,256	25,653,317

APPENDIX 5

PARTICIPATING CITY ALLOCATION PURSUANT TO SECTION 3.6

<u>City</u>	<u>Allocation Percentage for Purposes of Section 3.6</u>	<u>Allocation of Initial Payment</u>
Anaheim	13.18%	\$711,509
Aliso Viejo	0.67	36,416
Buena Park	2.34	126,275
Brea	2.28	123,085
Costa Mesa	2.18	117,936
Costa Mesa Sanitary District	1.48	79,976
Cypress	2.56	138,115
Dana Point	0.99	53,278
Fullerton	4.10	221,271
Fountain Valley	1.76	95,217
Garden Grove/ GG Sanitary District	7.17	387,197
Huntington Beach	6.13	330,807
Irvine	8.22	444,036
Laguna Beach	1.14	61,796
Laguna Hills	0.74	40,098
Laguna Niguel	1.36	73,341
Laguna Woods	0.41	22,274
La Habra	1.69	91,431
Lake Forest	2.45	132,214
La Palma	0.32	17,325
Los Alamitos	0.58	31,362
Mission Viejo	2.42	130,902
Newport Beach	3.68	198,946
Orange	4.90	264,468
Placentia	1.58	85,116
Rancho Santa Margarita	1.11	60,009
Santa Ana	10.60	572,184
San Clemente	1.40	75,728
San Juan Capistrano	1.23	66,420
Seal Beach	0.82	44,292
Stanton	1.62	87,287
Tustin	1.42	76,648
Villa Park	0.21	11,081
Midway City Sanitary District (Westminster)	2.13	114,893
Yorba Linda	1.78	96,344
County Unincorporated	3.35	180,723
Totals	100%	\$5,400,000

**EXHIBIT L:
FACILITIES LIST**

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EXHIBIT L: FACILITIES LIST

Facilities List

Approved or Designated Facility Type	Required Facility Information
Approved Transfer Facility(ies)	<p>Facility Name: CVT Regional Material Recovery and TS</p> <ul style="list-style-type: none"> • Address: 1131 N. Blue Gum St. Anaheim, CA 92806 • Operator: Republic Services • SWIS Number: SWIS 30-AB-0335 • Facility Type: Materials Recovery Facility and TS • Material Type(s): Source Separated Recyclable Materials, Yard Waste, Food Waste, Source Separated Organic Materials, C&D, Solid Waste <p>Facility Name: Rainbow Transfer/Recycling</p> <ul style="list-style-type: none"> • Address: 17121 Nichols Lane Huntington Beach CA, 92647 • Operator: Republic Services • SWIS Number: SWIS 30-AB-0099 • Facility Type: Materials Recovery Facility and TS • Material Type(s): Source Separated Recyclable Materials, Yard Waste, Food Waste, Source Separated Organic Materials, C&D, Solid Waste
Designated Disposal Facility(ies)	<p>Facility Name: Olinda Alpha Landfill</p> <ul style="list-style-type: none"> • Address: 1942 N. Valencia Avenue, Brea, CA 92823 • Operator: OC Waste and Recycling • SWIS Number: SWIS 30-AB-0035 • Facility Type: Landfill • Material Type(s): Solid Waste • (If Applicable) Transfer Facility: CVT Regional Material Recovery and TS or Rainbow <p>Facility Name: Frank R. Bowerman Sanitary Landfill</p> <ul style="list-style-type: none"> • Address: 11002 Bee Canyon Access Road, Irvine, CA 92618 • Operator: OC Waste and Recycling • SWIS Number: 30-AB-0360 • Facility Type: Landfill • Material Type(s): Solid Waste • (If Applicable) Transfer Facility: CVT Regional Material Recovery and TS or Rainbow <p>Facility Name: Prima Deschecha Landfill</p> <ul style="list-style-type: none"> • Address: 32250 Avenida La Pata San Juan Capistrano, CA 92675 • Operator: OC Waste and Recycling

EXHIBIT L: FACILITIES LIST

Approved or Designated Facility Type	Required Facility Information
	<ul style="list-style-type: none"> • SWIS Number: 30-AB-0019 • Facility Type: Landfill • Material Type(s): Solid Waste • (If Applicable) Transfer Facility: CVT Regional Material Recovery and TS or Rainbow
Approved C&D Facility(ies)	<p>Facility Name: CVT Regional Material Recovery and TS</p> <ul style="list-style-type: none"> • Address: 1131 N. Blue Gum St. Anaheim, CA 92806 • Operator: Republic Services • SWIS Number: SWIS 30-AB-0335 • Facility Type: Materials Recovery Facility and TS • Material Type(s): Source Separated Recyclable Materials, Yard Waste, Food Waste, Source Separated Organic Materials, C&D Debris, Solid Waste <p>Facility Name: Rainbow Transfer/Recycling</p> <ul style="list-style-type: none"> • Address: 17121 Nichols Lane Huntington Beach CA, 92647 • Operator: Republic Services • SWIS Number: SWIS 30-AB-0099 • Facility Type: Materials Recovery Facility and TS • Material Type(s): Source Separated Recyclable Materials, Yard Waste, Food Waste, Source Separated Organic Materials, C&D, Solid Waste
Approved Organic Materials Processing Facility(ies)	<p>Facility Name: Valencia Greenery</p> <ul style="list-style-type: none"> • Address: 1942 N. Valencia Avenue, Brea, CA 92823 • Operator: OC Waste and Recycling • SWIS Number: 30-AB-0470 • Facility Type: Greenery • Material Type(s): Yard Waste, Food Waste, Manure • (If Applicable) Transfer Facility: CVT or Rainbow <p>Facility Name: Bee Canyon Greenery</p> <ul style="list-style-type: none"> • Address: 11002 Bee Canyon Access Road, Irvine, CA 92618 • Operator: OC Waste and Recycling • SWIS Number: 30-AB-0470 • Facility Type: Greenery • Material Type(s): Yard Waste, Food Waste, Manure • (If Applicable) Transfer Facility: CVT or Rainbow <p>Facility Name: Capistrano Greenery</p> <ul style="list-style-type: none"> • Address: 32250 Avenida La Pata San Juan Capistrano, CA 92675

**EXHIBIT L:
FACILITIES LIST**

Approved or Designated Facility Type	Required Facility Information
	<ul style="list-style-type: none"> • Operator: OC Waste and Recycling • SWIS Number: 30-AB-0468 • Facility Type: Greenery • Material Type(s): Yard Waste, Food Waste, Manure • (If Applicable) Transfer Facility: CVT or Rainbow <p>Facility Name: Recology Blossom Valley Organics</p> <ul style="list-style-type: none"> • Address: 6061 N Wheeler Ridge Rd. Lamont, CA 93242 • Operator: Recology • SWIS Number: SWIS 15-AA-0307 • Facility Type: Composting • Material Type(s): Organics • (If Applicable) Transfer Facility: CVT or Rainbow <p>Facility Name: Agromin OC</p> <ul style="list-style-type: none"> • Address: 8292 Edison Ave. Ontario, CA 91762 • Operator: Agromin OC • SWIS Number: 36-AA-0509 • Facility Type: Green Material Composting Operation • Material Type(s): Yard Waste, Food Waste • (If Applicable) Transfer Facility: CVT or Rainbow <p>Facility Name: Circle Green Tech Park</p> <ul style="list-style-type: none"> • Address: 17900 Sheep Creek Rd. El Mirage, CA 92301 • SWIS Number: 36-AA-0500 • Facility Type: Aerated Static Pile Compost Facility • Material Type(s): Yard Waste, Food Waste, Manure • (If Applicable) Transfer Facility: CVT or Rainbow <p>Facility Name: Republic Services Copper Mountain Landfill</p> <ul style="list-style-type: none"> • Address: 34853 East County 12th Street, Wellton, AZ 85356 • Operator: Republic Services • SWIS Number: None • Facility Type: Landfill • Material Type(s): Organics • (If Applicable) Transfer Facility: CVT or Rainbow

EXHIBIT L: FACILITIES LIST

Approved or Designated Facility Type	Required Facility Information
	<p>Facility Name: Rialto BioEnergy Facility,</p> <ul style="list-style-type: none"> • Address: 503 East Santa Ana Avenue Rialto, CA 92376 • Operator: Anaergia Services • SWIS Number: SWIS 36-AA-0446 503 • Facility Type: Large Volume In-Vessel Digestion Facility • Material Type(s): Source Separated Organic Materials • (If Applicable) Transfer Facility: CVT or Rainbow
Approved Recyclable Materials Processing Facility	<p>Facility Name: CVT Regional Material Recovery and TS</p> <ul style="list-style-type: none"> • Address: 1131 N. Blue Gum St. Anaheim, CA 92806 • Operator: Republic Services • SWIS Number: SWIS 30-AB-0335 • Facility Type: Materials Recovery Facility and TS • Material Type(s): Source Separated Recyclable Materials, Yard Waste, Food Waste, Source Separated Organic Materials, C&D Debris, Solid Waste <p>Facility Name: Rainbow Transfer/Recycling</p> <ul style="list-style-type: none"> • Address: 17121 Nichols Lane Huntington Beach CA, 92647 • Operator: Republic Services • SWIS Number: SWIS 30-AB-0099 • Facility Type: Materials Recovery Facility and Transfer Station • Material Type(s): Source Separated Recyclable Materials, Yard Waste, Food Waste, Source Separated Organic Materials, C&D Debris, Solid Waste <p>Facility Name: Waste Management of Orange</p> <ul style="list-style-type: none"> • Address: 2050 Glassell Street Orange, CA 92865 • Operator: USA Waste of California, Inc • SWIS Number: 30-AB-0363 • Facility Type: Transfer/ Processing • Material Type(s): Source Separated Recyclable Materials • (If Applicable) Transfer Facility: CVT or Rainbow

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EXHIBIT M:
DOCUMENTATION OF RESIDENTIAL ORGANICS COST PER TON

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**EXHIBIT M:
DOCUMENTATION OF RESIDENTIAL ORGANICS COST PER TON**

Exhibit based on residential organic materials final negotiated cost per ton provided by Contractor.

Approved Facility from Exhibit L	CVT Cost (Pre-processing and/or Transfer)	Transportation Cost/Ton	Tip Fee/ton	Cost/ton
Recology	\$39.02	\$52.06	\$45.91	\$136.98

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**EXHIBIT N:
CUSTOMER CREDIT FOR MISSED PICK-UPS DURING A WORK
STOPPAGE**

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EXHIBIT N: CUSTOMER CREDIT FOR MISSED PICK-UPS DURING A WORK STOPPAGE

1. City Billed Customers

- A. General. Contractor shall follow the following calculation procedures for issuing residential customers a credit on the monthly invoice to City for the number of collections missed during the work stoppage that were not recovered within two days of their schedule service day. City retains the franchise fee; therefore, the credit for the franchise fee and City maintenance fee would need to be issued back to the customers by City on their next billing cycle by City.
- B. Contractor will calculate and process a credit on their next invoice to the City for all residential customers during the dispute period of a work stoppage as follows:
1. Credit calculation – the credit will be based on the following factors
 - (a) Customer monthly rate for collection services only
 - (b) Weeks per month
 - (c) Number of collections missed during the work stoppage
 2. Example calculation based on July 1, 2022 rate:
 - (a) Monthly rate for collection = \$15.32 (Sum of trash collection portion, yard waste collection portion, recycling portion, and fuel pricing index)
 - (b) Weeks per month = 4.33
 - (c) Number of collections missed during the work stoppage = 1 (Example purposes only)

Credit = [(a) ÷ (b)] x (c)

Credit = [(\$15.32) ÷ (4.33)] x (1)

Credit = \$3.54 per residential customer missed

2. Contractor Billed Multi-Family and Commercial Customers

All multi-family and commercial customers shall be eligible to receive a credit for any missed services during a work stoppage. Contractor shall notify all multi-family and commercial customers via its website currently at "<https://www.republicservices.com/municipality/brea-ca>" that credits may be made available for agreed upon disruptions during the dispute period. Contractor will calculate and offer a credit for each customer who contacts Contractor requesting a credit on a case-by-case basis based on the level of disruption of service to each such customer, if any, during the dispute period.

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EXHIBIT O:
SUPPORTING DOCUMENTATION REGARDING NON-EXTENSION

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EXHIBIT O:
SUPPORTING DOCUMENTATION REGARDING NON-EXTENSION



VIA CERTIFIED MAIL - RETURN RECEIPT REQUESTED

December 10, 2018

Republic Services, Inc.
1131 N. Blue Gum St.
Anaheim, California 92806
Attn: Daniel Capener, General Manager

Subject: Non-Extension Notice

Dear Mr. Capener:

As you know from attending the City Council Meeting on December 4, 2018, the Brea City Council decided to end the automatic extension of the September 3, 2002 Amended and Restated Agreement Between the City of Brea and Taormina Industries Incorporated for the Collection, Transportation, Recycling, Composting and Disposal of Solid Waste, Recyclable and Compostable Materials ("Agreement"). In accordance with the City Council's decision, this letter constitutes a formal Non-Extension Notice pursuant to Section 5.A of the Agreement. Per that provision, absent earlier termination by either party, the Agreement will expire on December 31, 2039.

Please be advised that this Non-Extension Notice does not waive the City's ability to terminate the Agreement prior to such expiration date pursuant to the provisions of the contract or state law. The City reserves all of its available termination rights, including its rights under Public Resources Code Section 49520.

Sincerely,



Bill Gallardo
City Manager
City of Brea

CC: Brea City Council
Tony Olmos, Brea Public Works Director
James Markman, Brea City Attorney
Terence Boga, Brea Deputy City Attorney

City Council	Glenn Parker <i>Mayor</i>	Christine Marick <i>Mayor Pro Tem</i>	Cecilia Hupp <i>Council Member</i>	Marty Simonoff <i>Council Member</i>	Steven Vargas <i>Council Member</i>
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Civic & Cultural Center • 1 Civic Center Circle • Brea, California 92821-5732 • 714/990-7600 • FAX 714/990-2258 • www.cityofbrea.net

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